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DAILY REPORT

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HOUSE COMMITTEE URGES MORE ACTION ON LIU MURDER

OW080927 Beijing XINHUA in English 0849 GMT 8 Feb 85

[Text] Washington, February 7 (XINHUA) -- A U.S. House Subcommittee has urged the Reagan administration to launch an intensive investigation into the murder of Chinese-American writer Henry Liu. The committee also demanded that Taiwan authorities deliver the murder suspects to the United States for trial.

Stephen Solarz, chairman of the Subcommittee on Asian and Pacific Affairs, expressed his "outrage" over the reported involvement of Taiwan officials in the murder.

He said that "there have been numerous credible charges of surveillance, intimidation and harassment in the United States by agents of Taiwan's intelligence services, particularly with respect to Taiwanese students in our country."

Congressman Norman Mineta from California said in his testimony that he believes that Henry Liu, who wrote books and articles critical of Taiwan authorities, "was killed because of his work."

He criticized the Reagan administration for being indifferent to the Liu case, regretting that the administration has "not aggressively sought to have the murder suspects returned to U.S. courts."

Declaring that how the Taiwan authorities respond to the Henry Liu's case "may well decide the future course of U.S.-Taiwan relations", Jim Leach, member of the subcommittee, suggested that if there continues to be evidence of espionage or harassment by Taiwan agents in the United States, "the State Department should give serious consideration to cutting back the current number of Taiwan's 'Coordinating Committee on North American Affairs (CCNAA) offices' in the United States".

He also urged the Reagan administration to "consider requesting the withdrawal of all Taiwanese Government personnel implicated in the ordering of the murder of Henry Liu."

Mrs Helen Liu, widow of the victim, stated in her testimony that her husband "was killed by the Taiwan Government." She cited a variety of evidences to show that both Taiwan authorities and the Reagan administration are trying to cover up the true story about her husband's murder "for political reasons and to protect the high officials who were really involved."

She appealed to the Congress "to express a sincere and stronger response to the killers and their sponsors in official places in Taiwan".

The subcommittee adopted a resolution requesting that the Taiwan authorities cooperate fully in case of Henry Liu.

KIM TAE-CHUNG TALKS TO PRESS; RETURNS TO ROK

Addresses National Press Club

OW060729 Beijing XINHUA in English 0700 GMT 6 Feb 85

[Text] Washington, February 5 (XINHUA) -- Kim Tae-chung, a well-known South Korean opposition leader, said here today he will leave the U.S. tomorrow for home to "directly participate in the ordeal and struggle of our people for the restoration of democracy". Speaking at a press conference at the National Press Club today, Kim said that before it is too late, "I must go back to encourage a non-violent struggle following the ways of Mahatma Gandhi and Martin Luther King Jr."

Kim said he wants to achieve two things upon his return to South Korea -- one is to "unify all genuine participants of the democratic movement" after the coming elections in South Korea. The other is to "prevent polarization" on the South Korean political scene. Kim said that some of his people, especially young men, have become very angry because of the impression that the United States and Japan support the corrupt South Korean dictatorship. Kim said yesterday: "I do not know my fate." But he said that South Korean authorities had announced he would not be imprisoned when he returns home.

Kim was an unsuccessful candidate for the presidency in 1971. In 1980 he was accused of sedition and sentenced to death. His sentence was later commuted to 20 years' imprisonment and he was exiled to the U.S. at the end of 1980.

It is learnt that over 90 county welcoming committees have been formed in South Korea. Kim's supporters have put up 30,000 posters in Seoul with his picture and have distributed 400,000 leaflets. A letter was released here today from 35 members of the U.S. Congress urging that Chon Tu-hwan restore Kim's full political rights. The U.S. authorities were also reported to have reminded the South Korean authorities to guarantee Kim's security when he returns home.

Will Participate in 'Struggle'

OW061431 Beijing XINHUA Domestic Service in Chinese 0847 GMT 6 Feb 85

[Text] Washington, 5 Feb (XINHUA) -- Kim Tae-chung, a well-known South Korean democrat living in exile in the United States, stated at a Washington press conference today that he would leave the United States on 6 February and return to South Korea to participate directly in democratic struggle.

Kim Tae-chung said: The South Korean people are boiling with resentment because of long-standing dictatorial rule, government corruption, and irrational economic and social phenomena in South Korea as well as U.S. and Japanese support for dictatorship. He put forward five proposals, indicating that he would work with other democrats, and urge the South Korean authorities to hold talks with the democratic forces in order to break the current political stalemate.

He also hoped that the United States would support the South Korean people's aspirations for democracy and make sure that nobody will attain his selfish political aims by abusing the military force. He said the realization of Korea's peaceful reunification is his ultimate objective. He said he did not know his fate, but he expressed the strong hope that the South Korean authorities would treat him "reasonably."

South Prolongs 'Dictatorial Rule'

SK070057 Beijing International Service in Korean 1100 GMT 7 Feb 85

[Text] Kim Tae-chung, a renowned democratic personage of South Korea, said in a press conference held on 5 February in Washington that he would leave the United States on 6 February and return to South Korea via Japan. Kim Tae-chung said that the purpose of his return is to directly participate in the movement for democracy and achieve the peaceful reunification of Korea. Saying that the South Korean authorities are prolonging the dictatorial rule, Kim Tae-chung said that the government is corrupt, and the people's resentment is growing with each passing day. He said that one of the objectives of his return to South Korea is to rally those who truly seek democracy when the upcoming elections are over.

Kim Tae-chung put forth a 5-point proposal for the collaboration with the leaders of the movement for democracy in South Korea. He said that he will, in order to overcome the political difficulties, request Chon Tu-hwan call quadripartite talks with Kim Yong-sam, Kim Chong-pil, and himself. He called for the U.S. Administration to support the South Korean people's desire for democracy. He stressed that his future objective is to achieve the peaceful reunification of the Korean peninsula. He said that the South Korean Government declared that he will not be arrested upon his return, but it had not said a word on whether he would be free from house arrest or surveillance. He also denounced the slanderous materials that the South Korean authorities have recently scattered against him.

For Kim Tae-chung's safe return, the U.S. Center for Development Policy, an American research institute, organized a 37-member team and will escort Kim Tae-chung to South Korea. In addition, some 50 U.S. congressmen and former high-ranking government officials sent to Chon Tu-hwan letters calling for the South Korean Government to guarantee Kim Tae-chung's safety and the reinstatement of his civil and political rights.

Meanwhile, the White House announced that Chon Tu-hwan will pay a visit to the United States in April and meet President Reagan. According to news reports, the White House announced the plan of the visit only after the Seoul authorities assured the United States that they would not send Kim Tae-chung to prison.

Seoul's Self-Restraint Urged

SK070741 Beijing International Service in Korean 1100 GMT 1 Feb 85

[Text] The United States, hoping that Kim Tae-chung, a renowned South Korean democratic personage, will safely return to South Korea, called for the concerned South Korean organ to exercise self-restraint. Speaking to the reporters, the U.S. State Department spokesman said that the United States discussed with the concerned South Korean organ the question of Kim Tae-chung's return to South Korea. But he did not disclose any content of the discussion.

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Kim Tae-chung was forcibly sent to the United States 2 years ago by the South Korean authorities. Recently he declared that he would return to South Korea on 6 February and continue the struggle for democracy. However, the South Korean authorities babbled that Kim Tae-chung would be arrested, if he returns to South Korea.

Returns to Seoul

OW080855 Beijing XINHUA in English 0843 GMT 8 Feb 85

[Text] Pyongyang, February 8 (XINHUA) -- Kim Tae-chung, a well-known South Korean opposition leader, returned home this morning after two years of exile in the United States, according to reports reaching here. The airliner carrying the democratic figure and his wife, a party of supporters and two U.S. congressmen landed at Kimpo Airport in the outskirts of Seoul at 11:50 amid tight security precautions that prevented his followers to welcome him, the reports said. A report quoted Kim as saying on the plane that he returned home to fight for "my dream of a democratic system to guarantee our people freedom, justice and human dignity."

An unsuccessful candidate for the South Korean presidency in 1971, Kim was accused of sedition and sentenced to death in 1980. The sentence was later commuted to 20 years' imprisonment and he was exiled to the United States at the end of that year. The South Korean authorities said on February 4 that they would not return Kim to prison but stressed that he was still banned from all political activity.

Before Kim's return, according to reports from Seoul, the authorities put a large number of South Korean democratic figures under house arrest. Among them was Kim Yong-sam, president of the defunct New Democratic Party. The South Korean authorities also attempted to blunt efforts of Kim's supporters to hold a rally today at the airport and offset his influence by blocking roads to Seoul and the airport and taking away pictures, slogans and newspapers of opposition parties. However, thousands of people lined the roads from the airport to the city center today. Some students shouted slogans like "Down with the military dictatorship."

Since February 2, Kim's home in western Seoul has been closely watched by police. The U.S. authorities have reportedly reminded the South Korean regime to guarantee Kim Tae-chung's safety when he returns home.

S. KOREAN STUDENTS' OPPOSITION TO ELECTIONS CITED

SK060605 Beijing International Service in Korean 1100 GMT 31 Jan 85

[Text] The South Korean authorities recently announced that elections for the 12th National Assembly will be conducted on 12 February. In a bid to smoothly conduct the elections, the South Korean authorities have not only intensified their suppression of opposition parties but have also issued an emergency martial law [as heard] to the police while warning youths and students that those who oppose the elections will be severely punished. However, youths and students of South Korea are still struggling in spite of this warning.

According to a KCNA report quoting foreign press reports, the South Korean youths and students recently formed the Election Measure Committee of the National University Students Union and the Students Union for Conducting Democratic Elections. Many university students have also formed a committee at their schools for struggling against the elections while calling for the authorities to cancel the upcoming elections. They are also appealing to the South Korean people to oppose the candidates of the Democratic Justice Party [DJP].

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On 14 January, some 500 students of Seoul University in South Korea staged a demonstration on their campus to oppose the elections. On 25 January, some 300 students of this university also staged a demonstration after attacking a party branch of the DJP in Yongdongpo, Seoul.

On the same day, some 400 students of Ehwa Womens University and some 150 students of Songgyungwan University in Seoul held rallies and demonstration to oppose the elections.

PARIS-BASED GROUPS BACK TRIPARTITE KOREA TALKS

SK070715 Beijing International Service in Korean 1100 GMT 1 Feb 85

[Text] The International Liaison Committee for the Independent Peaceful Reunification of Korea, the International Lawyers Committee for South Korea's Democratization and Human Rights, and the French Solidarity Action Committee for the Independent and Peaceful Reunification of Korea arranged a joint press conference in Paris yesterday.

These international organizations appealed to the world's public opinion to actively support the Korean people's struggle for the independent and peaceful reunification of the country.

The statement released at the press conference said that the international organizations fully support President Kim Il-song's proposal for tripartite talks for the peaceful settlement of the Korean question, and demand that the United States and the South Korean authorities respond to the proposal at an early date.

The statement also bitterly criticized the large joint military exercise, which the United States and the South Korean authorities are planning to stage. The statement said that the exercise was an obstacle to the proposal for tripartite talks.

RENMIN RIBAO ON SRV'S 'NEW PROPOSAL' FOR CAMBODIA

HK080940 Beijing RENMIN RIBAO in Chinese 8 Feb 85 p 6

[Commentator's article: "Commenting on Vietnam's 'New Proposal'"]

[Text] The Vietnamese authorities have taken the opportunity of UN Secretary General Perez de Cuellar's visit to Vietnam and the ASEAN countries' efforts to seek a political settlement of the Cambodian issue to put forth a so-called "new proposal." According to reports, the main points of Vietnam's "new proposal" can be summarized as follows: Exclusion and elimination of the Khmer Rouge as a precondition for negotiations on all questions, and "national reconciliation" between Sihanouk, Son Sann, and Heng Samrin.

Those who are unbiased, uphold justice, and understand the origin of the Cambodian issue can easily see that the Vietnamese authorities' so-called "new proposal" is nothing but some old stuff aimed at obtaining by political tricks what they have failed to achieve on the battlefield. This amply illustrates the fact that Vietnam's aggressive stand against Cambodia has not changed at all.

The Vietnamese authorities have put forth this so-called "new proposal" while launching military offensives against the anti-Vietnamese forces in Cambodia with the aim of undermining the unity of Cambodia's tripartite patriotic forces and the international community's support for the anti-Vietnamese forces in Cambodia. Prince Sihanouk, president of Democratic Kampuchea, has pointed out: Vietnam's proposal is "a plot" and "is aimed at using the two nationalist groups to 'eliminate' the Khmer Rouge, sowing seeds of discord in relations among the three groups, and thus continuing the occupation of Cambodia and hastening its colonization." Prince Sihanouk's exposure has really hit the nail on the head.

People remember that when the Vietnamese aggressor troops occupied Phnom Penh 6 years ago, the Vietnamese authorities congratulated each other, looking proudly triumphant. They claimed that "there is not any Cambodian issue whatsoever" and that "the Cambodian situation cannot be reversed." And now, they can only resort to the method of undermining the unity of Cambodia's tripartite forces and ask for a better price for their political trick with a desperate military offensive. What can this illustrate if not exposing the inherent weakness of the Vietnamese authorities?

The Vietnamese authorities have reached a dead end in their aggression against Cambodia. However, they do not drop the idea altogether but still play various tricks by every possible means in an attempt to turn Cambodia into its colony. One of their tricks is to leave aside the UN General Assembly [UNGA] resolutions and engage in empty talk about a political solution, refusing in effect to withdraw their troops. Now, they have again taken the opportunity of the UN secretary general's visit to Hanoi to put forth a so-called "new proposal" while refusing to mention whether they will implement the UNGA resolutions. We sternly warn the Vietnamese authorities that the only way to free themselves from the quagmire of aggression against Cambodia is to implement the UNGA resolutions and withdraw all their troops from Cambodia. As a universally condemned aggressor, Vietnam only has the obligation to implement the UNGA resolutions. What right does it have to put forth various conditions for withdrawing its troops? In the face of such a fierce, malicious, and cunning aggressor, it is necessary for the international community to heighten its vigilance.

At present, the three patriotic forces in Cambodia, united under the banner of the Coalition Government of Democratic Kampuchea headed by Samdech Sihanouk, are heroically and stubbornly resisting the dry-season offensive of the Vietnamese aggressors. The duty of the international community is to further strengthen pressure on the Vietnamese authorities, urging them to implement the UN resolutions and at the same time to strengthen support to the Cambodian anti-Vietnamese forces. All the three anti-Vietnamese armed forces in Cambodia are true patriots who not only have dedicated themselves to the independence and survival of Cambodia but also are fighting for peace in Southeast Asia.

The Vietnamese authorities once deliberately attempted to wipe out the Democratic Cambodian National Army first, but they failed to do so. At present they have resorted to the tactic of disintegration and have vainly attempted to destroy the three anti-Vietnamese forces of Cambodia one by one. No matter what schemes and intrigues they may use, their only aim is to wipe out the entire anti-Vietnamese struggle of the Cambodian people so that they may swallow up Cambodia. The best answer of the international community to these schemes and intrigues of the Vietnam authorities is to continue to give more material and moral support to the three anti-Vietnamese forces of Cambodia.

In order to safeguard peace in Southeast Asia and to uphold international justice, China has always supported the various anti-Vietnamese forces of Cambodia. We hope that the Cambodia issue will be settled justly and reasonably at an early date and that Cambodia will become a peaceful, independent, neutral, and nonaligned country. This stand of ours is very clear. Together with all peace-loving countries and people throughout the world, we will continue to exert efforts toward this end.

BEIJING CONTINUES REVIEW OF SRV ECONOMIC WOES

OW071041 Beijing in Vietnamese to Vietnam 1400 GMT 3 Feb 85

[Feature: "Vietnamese Society Today" -- final part of article: "A Year Replete With Difficulties"]

[Text] Vietnam's stagnant industrial-agricultural production has not only seriously affected the national economy but has also given rise to enormous difficulties in the livelihood of the broad masses.

First, the situation of supply and demand on the market remains tense. Supply-demand discrepancies have been further brought into relief. Recently, the Seventh Plenum of the Fifth CPV Central Committee issued a communique admitting, once again, that the market prices of commodities and the financial situation still remained unstable; that the livelihood of the people, especially that of cadres, workers, and the Armed Forces, was still fraught with difficulties; that negativism in the economy and society had not been effectively curbed.

Vietnamese peoples say that in 1984 there was a failure in many areas to guarantee sufficient supplies of commodities provided at fixed quantities to workers, civil servants, and the Armed Forces. To quote an example, in Ha Tuyen Province, of the nine types of basic commodities provided during the 1st and 2nd quarters, only salt, rice, and port were provided at a rate of 80 percent of the demand, while there were absolutely no supplies for the remaining six commodities.

Given Vietnam's difficulty-ridden economy, the government-bond revenue is just like a drop in the bucket. In short, Vietnam's economic difficulties are long-range, and there is no way to overcome them in a short period.

The Seventh Plenum of the Fifth C.P.V. Central Committee, held in December 1984, once again asserted the necessity to conduct national reforms in economic management mechanisms in an attempt to get Vietnam out of its economic bind. But, since the Vietnamese authorities have earmarked a huge part of Vietnam's budget for military expenditures to keep up 1.2 million troops, and since they are going ahead with their war of aggression in Cambodia, which has been going on for many years, how can Vietnam's difficulty-ridden economy bear such a heavy burden?

Without doubt, unless the Vietnamese authorities relinquish their aggressive-expansionist policy, it will be hard for the Vietnamese economy to make headway and score an encouraging change for the better.

FURTHER ON VISIT OF MACAO GOVERNOR TO BEIJING

Meets Ji Pengfei

OW061538 Beijing XINHUA in English 1501 GMT 6 Feb 85

[Text] Beijing, February 6 (XINHUA) -- China wants to see a stable and developing Macao, said Chinese State Councilor Ji Pengfei here this afternoon. He told visiting Macao Governor Vasco Fernando Leote de Almeida e Costa that Macao and the mainland should work together for this.

Ji, director of the State Council's Hong Kong and Macao Affairs Office, told the governor the mainland needed more funds and techniques from Hong Kong and Macao just as Macao needed development. This, he said, augured well for cooperation, though much remained to be done. Ji hoped for more economic, trade, scientific and technical exchanges and visits. Macao's future, he said, would be easily negotiated.

The governor was "not worried about Macao's future." Most important was to safeguard stability and promote development while respecting the economic interests of Macao Chinese. For this, he said, Macao would cooperate with the Chinese Government, but a still weak Macao economy needed greater and more diverse contacts with the mainland.

At the meeting were Hong Kong and Macao Affairs Office Deputy Director Li Hou and General Secretary Lu Ping, Vice-Minister of Foreign Economic Relations and Trade Jia Shi, and Manuel Mario de Oliveira de Seixas Serra, secretary of the Governor's Office.

Meets Li Xiannian

OW071221 Beijing XINHUA in English 1201 GMT 7 Feb 85

[Text] Beijing, February 7 (XINHUA) -- Chinese President Li Xiannian expressed the hope here today that China and Portugal would cooperate in maintaining Macao's stability and prosperity. "It is not difficult to settle the Macao question through negotiations since the principles for such a settlement have already been outlined in the communique on the establishment of diplomatic relations between China and Portugal," he said.

While meeting the Governor of Macao Vasco e Costa, the president said the two countries were friendly toward each other and Governor Costa was a friend of China. He hoped that the two countries would cooperate in doing a good job in administering Macao before they could settle the question.

The governor said that he would do his best to prevent any shadow from appearing over Macao and strengthen cooperation with China's mainland in promoting Macao's economic development and social progress.

The Chinese president also expressed thanks for the warm reception accorded him by President Antonio dos Santos Ramalho Eanes and his wife as well as the Portuguese people during his visit to Portugal last year. He was looking forward to the Portuguese president's visit to China this year, he added.

Present at the meeting were Zheng Tuobin, Chinese vice-minister of foreign economic relations and trade, Li Hou, deputy director of Hong Kong and Macao Affairs Office of China's State Council, Manuel Mario de Oliveira de Seixas Serra, secretary of the Governor's Office, and Antonio Leal da Costa Lobo, Portuguese ambassador to China.

FOREIGN MINISTRY SAYS NOT YET INVITED TO BANDUNG

BK080709 Beijing International Service in Indonesian 0830 GMT 7 Feb 85

[Excerpt] A spokesman of the PRC Foreign Ministry disclosed yesterday afternoon that the PRC has not yet received any official invitation to attend celebrations marking the Afro-Asian Conference anniversary to be held in Indonesia. The spokesman said this at a press meeting in Beijing yesterday afternoon.

HONG KONG-BEIJING AIR FREIGHT SERVICE LAUNCHED

HK070039 Beijing ZHONGGUO XINWEN SHE in Chinese 1304 GMT 6 Feb 85

[Report: "China National Aviation Corporation Will Start Air Freight Service Between Hong Kong and Beijing in April"]

[Text] Hong Kong, 6 Feb (ZHONGGUO XINWEN SHE) -- The China National Aviation Corporation will begin regular air freight service between Hong Kong and Beijing beginning on 1 April. Xie Jingwu, deputy manager of the Hong Kong China National Aviation Corporation, disclosed to this reporter that over the past few years Hong Kong's air freight volume to the interior of China has increased unceasingly. Since 1979 it has increased by 40 percent yearly, and last year it increased 48.8 percent compared with 1983. It is estimated that the volume will continue to increase in the future. In addition, the company has decided to put into service the A-310 Airbuses, which were ordered recently, on its Hong Kong-Shanghai air service beginning this August.

PLANS ADVANCED FOR DIRECT FLIGHTS TO SINGAPORE

OW071225 Beijing XINHUA in English 1209 GMT 7 Feb 85

[Text] Singapore, February 7 (XINHUA) -- Direct air link between Singapore and China will very likely be set up in the middle of this year, Deputy Chairman Lim Chin Beng of the Singapore Airline (SIA) told a visiting XINHUA correspondent here today. Lim said SIA and CAAC (General Administration of Civil Aviation of China) had reached an agreement in principle, and one more round of negotiations proposed to be held here would possibly settle all detailed questions left over.

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He did not identify these questions, but Rong Fengxiang, Chinese commercial representative here, told the press recently that these questions included passenger fares and share of profits.

SIA will begin the twice-weekly service by airbus A310, one of the latest aircraft with 218 seats built by a West European consortium. The SIA route is scheduled to be Singapore -- Shanghai -- Beijing with the return flight on the same day, while CAAC would possibly take a Beijing -- Guangzhou -- Singapore route, also twice a week.

Lim said SIA usually takes three months to prepare for a new line. So, if the Singapore -- China flight is to be started in June as proposed, the final agreement is expected to be completed soon.

SIA has regular flights to 41 destinations all over the world. New destinations to be added this year will include Vienna, Karachi, Malta, Mauritius and Beijing.

PAPUA NEW GUINEA DEPUTY PRIME MINISTER TO VISIT

OW061211 Beijing XINHUA in English 1203 GMT 6 Feb 85

[Text] Beijing, February 6 (XINHUA) -- Vice-Prime Minister and Minister of Education Paias Wingti of Papua New Guinea will pay an official goodwill visit to China from February 13 to 18 at the invitation of the Chinese Government, a Chinese Foreign Ministry spokesman said here today.

AUSTRALIAN PRIME MINISTER WELCOMES HU VISIT

OW030921 Shanghai City Service in Mandarin 2300 GMT 2 Feb 85

[Text] The Australian Consulate General in Shanghai issued a news bulletin in the name of Australian Prime Minister Hawke, expressing his welcome to General Secretary Hu Yaobang's forthcoming visit to Australia.

Prime Minister Hawke says: General Secretary Hu Yaobang's visit to Australia from 13 to 18 April will be a very important event, which reflects the existing close and friendly relations between the peoples of China and Australia. He says that he will hold talks with Mr Hu Yaobang on major international issues, bilateral relations, and the economic problems of concern to both sides.

PRC ATTENDS ASIAN-AFRICAN LEGAL MEETING IN NEPAL

OW070046 Beijing XINHUA in English 0036 GMT 7 Feb 85

[Text] Katmandu, February 6 (XINHUA) -- Nepalese Prime Minister Lokendra Bahadur Chand declared the 24th session of the Asian-African Legal Consultative Committee open here this morning. Representatives from 27 countries and observers representing 16 governments as well as the U.N. committees concerned attended the opening ceremony of the 8-day ministerial level meeting.

A five-member Chinese delegation led by Wang Houli, director of the Department of Treaty and Law Ministry of Foreign Affairs attended the meeting for the first time as representatives of a member country. China's membership was accepted by the committee in November 1983. Answering press questions, Wang Houli said that China should play an active role in the legal cooperation with the developing countries.

The session will lay emphasis on economic issues with particular reference to promoting investments in developing countries. It will finalize the models for bilateral agreements on promotion and protection of investments with special reference to South-South cooperation, discuss the World Bank's project for generating investments in developing countries and the exploitation of the resources of the oceans following up the conclusion of the U.N. convention on the law of the sea.

According to the agenda, Nepal's zone of peace proposal will be one of the major topics during the discussions with a view to preparing an international legal framework of the concept. The king of Nepal made the proposal in 1975. Since then 59 countries have adopted it.

In his address, Chand explained that the proposal is in conformity with the principles of international law as well as the United Nations Charter. He hoped the meeting will "contribute to strengthening the efforts of mankind towards peace, stability and progress in the world."

The Asian-African Legal Consultative Committee was established in 1956. It has 40 members now. Its last committee meeting was held in Tokyo in 1983.

Nepal's Peace Proposal Lauded

OW071920 Beijing XINHUA in English 1905 GMT 7 Feb 85

[Text] Katmandu, February 7 (XINHUA) -- Nepal's peace zone proposal is "in keeping with the fundamental interests of Asian-African countries for peaceful co-existence and friendly relations as well as conducive to peace, stability and prosperity in Asia," a Chinese legal expert said here today.

Wang Houli, head of the Chinese delegation to the 24th session of the Asian-African Legal Consultative Committee, made the remarks in the second day plenary meeting. He said the proposal of the peace zone of Nepal conforms to universal standards of international law, the U.N. Charter and the 10 principles of the 1955 Bandung Conference.

In today's plenary session, representatives from 17 countries made speeches. All of them supported the proposal except that of India who put emphasis on the peace zone of the Indian Ocean rather than a peace zone of Nepal.

LOW-INTEREST LOAN PROTOCOL SIGNED WITH AUSTRIA

OW071211 Beijing XINHUA Domestic Service in Chinese 0750 GMT 5 Feb 85

[Text] Vienna, 4 Feb (XINHUA) -- China and Austria have signed a protocol for co-operation in the area of hydroelectric power generation. The protocol calls for a medium- to long-term and low-interest loan of 6 billion shillings (about \$300 million) to be provided by Austria to China for the development of medium- and small-sized low-head hydroelectric power projects.

The protocol was signed in Vienna on 1 February by the visiting Chinese vice minister of foreign economic relations and trade, Wei Yuming, and Austrian Finance Minister Vranitzky.

Austria ranks first in the world for its complete range of low-head hydroelectric power generation equipment and advanced technologies in this field.

It has been learned that the loan will be used for the purchase of about 27 sets of Austrian-made low-head hydroelectric power generation equipment. Forty percent of the loan will be provided by the government and 60 percent by the various Austrian banks. This is the first time Austria has offered a low-interest loan to China. This also makes Austria the eighth European country, after Italy, Switzerland, the Federal Republic of Germany, and others, to provide medium- to long-term loans to China.

Economic Cooperation Pact Signed

OW080801 Beijing XINHUA in English 0651 GMT 8 Feb 85

[Text] Vienna, February 7 (XINHUA) -- Chinese Vice-Minister of Foreign Economic Relations and Trade Wei Yuming today signed with Austrian Vice-Chancellor and Minister of Industry and Commerce Norbert Steger a memorandum on economic cooperation. The memorandum was signed at the end of the vice minister's 10-day visit to Austria.

It said the two sides were satisfied with the quick development of the two countries' trade and commercial relations in recent years, especially last year. According to the data issued by Austria, between January and November last year, trade between the two countries reached about 203 million U.S. dollars.

The memorandum pointed out that there are wide prospects for furthering the two countries' economic and trade relations, especially in equipping some old Chinese enterprises with new machines, modernizing China's agriculture as well as developing such Chinese industries as food processing, metallurgy and tourism.

On February 1, the Chinese vice-minister also signed with the Austrian minister of finance an agreement on Austrian loans to China. According to the agreement, Austria will provide China with about 300 million U.S. dollars with low interests for developing China's hydroelectric projects.

During his visit, Wei also met Austrian Chancellor Fred Sinowatz and President of the Federal Economic Chamber Rudolf Sallinger.

CHEN MUHUA CONTINUES FRG TALKS; TRADE TO EXPAND

OW070804 Beijing XINHUA in English 0658 GMT 7 Feb 85

[Text] Bonn, February 6 (XINHUA) -- China and Federal Germany agreed here today to expand trade in the coming years. At the three-day fourth meeting of the Joint China-Federal Germany Committee of Economic Cooperation, which ended today, participants of both sides shared the view that it is realistic to bring the volume of trade to 12.8 billion marks (about four billion U.S. dollars) by 1990.

Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua attended the meeting, which also discussed the possibilities of cooperation in developing nuclear energy, the petroleum industry, aviation and space navigation and exchanged views on cooperation in environmental protection.

During the meeting, Chen also held talks with Federal Minister of Economic Cooperation Juergen Warnke, Federal Minister of Finance Gerhard Stoltenberg and Federal Minister of Research Heinz Riesenhuber. She is scheduled to leave for Hamburg tomorrow and return home on February 8.

BRITISH HOUSE OF COMMONS PASSES HONG KONG BILL

OW071049 Beijing XINHUA in English 0903 GMT 7 Feb 85

[Text] London, February 7 (XINHUA) -- The British House of Commons gave third reading to the Hong Kong bill early this morning after four hours of earnest debate. The bill provides for the termination of British sovereignty over the ceded parts of Hong Kong and of British jurisdiction over the whole territory after 1st July 1997. Much of the debate focused on a new form of British nationality for use exclusively in Hong Kong. "British nationals (overseas)" will replace the British dependent territory citizenship status of native-born Hong Kong residents.

Other matters covered during the debate included the proposed annual Hong Kong report of the government to Parliament and the international acceptability of Hong Kong in some organisations such as the General Agreement of Tariffs and Trade (GATT).

During the debate, Minister of State for Foreign Affairs Richard Luce told the House that the Chinese Government has made it clear that the people of Hong Kong will be consulted on a wide basis. "We welcome this," he said. Luce also pledged that the British Government will do its best to cooperate with Parliament in keeping the Houses informed of developments in Hong Kong until 1997.

Having passed the House of Commons, the bill will be submitted to the House of Lords for approval.

MOZAMBIQUE SIGNS AGREEMENT FOR ECONOMIC AID

OW070807 Beijing XINHUA in English 0716 GMT 7 Feb 85

[Text] Maputo, February 6 (XINHUA) -- China will provide 645,000 renminbi (about 230,000 U.S. dollars) worth of farm machinery (including insurance and freight charges) to Mozambique. A contract to this effect was signed here today between representatives of the two countries. It stipulates that the farm machines will be used by the Chinese farm machinery group for agricultural projects in the Maputo green areas.

Also signed today was an accord under which China will send technicians to help rehabilitate the textile mill in Nampula City and provide necessary equipment, materials, spare parts and fittings to it.

JIANGSU FIRM STARTS SOMALIA CONSTRUCTION PROJECT

OW051325 Beijing XINHUA Domestic Service in Chinese 0817 GMT 3 Feb 85

[Text] Mogadishu, 22 Feb (XINHUA) -- Somali Agricultural Minister Gulaid today laid the foundation stone of an agricultural building which China's Jiangsu Corporation of International Economic and Technical Cooperation will build for Somalia in Baidoa State. During the stone-laying ceremony, Gulaid highly evaluated China's economic assistance to Somalia. He said: Chinese corporations and experts have high prestige in Somalia, because the quality of their work is good, and they comply with their contracts. He hoped more Chinese corporations would come to Somalia to render assistance to his country.

Speaking at the ceremony, Chinese Ambassador to Somalia Wang Shikun thanked the Somali Government and people for their support for, and cooperation with Chinese constructors.

The construction project, Jiangsu's third in Somalia, includes 45 offices of Somalia's agricultural departments in the capital of Mogadishu, as well as in Baidoa State. The buildings, which have a total floor space of 7,030 square meters, are scheduled for completion by the end of this year. The World Bank and the U.S. Agency for International Development have invested \$3.73 million in this project.

LI XIANNIAN MEETS NEW LIBYAN BUREAU SECRETARY

OW080336 Beijing XINHUA in English 0301 GMT 8 Feb 85

[Text] Beijing, February 8 (XINHUA) -- President Li Xiannian had a brief meeting here this morning with the new secretary of the People's Committee of the People's Bureau of the Socialist People's Libyan Arab Jamahiriya in China, 'Abd al Hamid az-Zintani.

WAN LI AFFIRMS WUHAN REFORM ACHIEVEMENTS

HK07145% Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Feb 85

[Text] On 4 and 5 February, Wan Li, Political Bureau member of the CPC Central Committee, member of the Secretariat, and vice premier of the State Council, personally came to our province to inspect the situation in reform of the economic structure in Wuhan City. He pointed out: There has been a good start in reform of the urban economy. It is necessary to emancipate the mind a little more, to be bold in invigorating the economy and in opening up a new path, to promptly sum up experiences, and to constantly advance.

During his stay in Wuhan, Vice Premier Wan Li listened to the reports made by responsible comrades of the province and the city, including Guan Guangfu, Huang Zhizhen, Wang Qun, Qian Yunlu, Han Ningfu, Tian Ying, and Wu Guangzheng. He inspected the night markets on Jiangnan Road and Chezhan Road in Wuhan City and the agricultural trade fairs in Dadongmen and Jiaotong Road. He also inspected the situation in the production of [words indistinct] rolling mills in the Wuhan Iron and Steel Co. He held that last year Hubei scored relatively great achievements in industrial and agricultural production. It has come out of the bottom of a valley of fine quality and has begun to take off. He said: If Hubei invigorates the economy in Wuhan and the rural areas and grasps well reform in medium-sized and small cities, including Shashi, Huangshi, Xiangfan, Yichang, and Shiyan to form an economic network, its economy will be invigorated.

Comrade Wan Li pointed out: In the course of reform of the urban economy, Wuhan City must further adopt enlightened policies, must invigorate enterprises, and must do a good job in urban construction. During reform of the urban economic structure, Wuhan and Chongqing have gone a step ahead of others. When reform of the urban economy is just beginning, successful experiences in rural reform must be absorbed. There are three sentences: It is necessary to constantly sum up new experiences; and it is imperative to constantly solve new problems. On this basis, we must constantly perfect reform of the urban economy. We have now indeed viewed some problems inaccurately. How can we view them accurately? Practice is the sole criterion for testing truth. If practice proves correct, we must proceed. When we dare to bring forth new ideas, we dare to practice.

Since the 3d Plenary Session of the 11th CPC Central Committee, we have always taken this scientific Marxist attitude. Some people are unwilling to practice temporarily. They can wait and must not rush headlong into mass action. When they correctly see, they must do. We are all opening up a new path. I said in Shenzhen: You can neither completely use the experiences of Hong Kong nor completely use our past old conventions. You are a special zone. The special feature of a special economic zone is to bring forth new ideas. You can use new things that suit your special zone. You must not use new things which do not suit your special zone, no matter where they come from. To invigorate the urban economy, we must now be extremely careful. We must rely on practice to seek truth. We must emancipate our minds a little more. In doing so we shall not make big mistakes. Even if there are some contradictions, we can resolve them quickly.

Comrade Wan Li expressed satisfaction over the method that Wuhan, since July last year, has used to reform the system of purchase and sale of nonstaple foods, including vegetables, fish, meat, and eggs, and to enliven the markets.

He happily said: I said for many years that there was no supply of fish in Wuhan. In the past live fish became dead fish, dead fish became stinking fish, and eventually there were no fish. A land of fish and rice must have both fish and rice. This problem has now been basically solved. Fish in the markets bounce lively. I am very glad. In the past we were too afraid of this problem. We did not know that we should begin with production, we did not mobilize people's subjective activity, and we despised management, thereby making people lack enthusiasm. The more lazy people there are, the fewer things are produced, and more ration coupons there are. Now we are opening to the outside world and are invigorating the domestic economy. You are invigorated here and have supplies of fish and meat. There is a problem with vegetables. When you open to the outside world, you will have supplies of vegetables. Some years ago peasants were unwilling to grow vegetables and regarded it as a political burden. The state issued a large amount of subsidies every year and the peasants were not thankful. In the past, when people got rich through growing vegetables, their burdens were heavy. The more they grew the heavier their burdens were. No matter how much you subsidized them, it did not work. This system must be reformed and must be simply abandoned. When it is abandoned, the situation will be invigorated.

While dealing with the problems of making a breakthrough in circulation and communications and of making the city open to the outside world, Comrade Wan Li said: Such a city like Wuhan was open in history. In those years the imperialists forced us to make it open -- the so-called British concession and the French concession. Later the revolution of 1911 built the Republic of China and the door of the city was also open. Some years in the past, when we closed our country to the outside world, we closed the city. Hankou has been an important trading port all along. If the entrance is blockaded, it will not work. Such a city like Wuhan is attractive internationally. In reform we must look at problems from a long-term point of view. Wuhan is not only the Wuhan of Hubei but is also the Wuhan of central China and the whole country. We must turn this place into an open city and must build a network of coordinated water, land, and air transport so as to make it become a center of information and the economy in central China. In the 1980's we must first build the most fundamental things, such as railroads, aviation, roads, and telecommunications. Otherwise, it cannot be formed as a center and cannot be built into a great Wuhan. Upon becoming a modernized society, the new Wuhan must be different from the old Hankou in the past. To build a new Wuhan, we must have new ideas, new work style, new system, and new facilities. We must build a great Wuhan, not a small Wuhan. He affirmed that Wuhan City has made a very great progress in urban management. In the future it is necessary to further do well.

While inspecting Hubei, in connection with the situation he saw during his recent inspection tours in Fujian and Guangdong, Comrade Wan Li was very happy. He said: On my way here, I saw the thriving situation here and there. I feel that the current situation is the best since the founding of the country. Practice has proved that opening to the outside world and invigorating the domestic economy is an important national policy to make our country prosperous.

WAN LI TOURS WUYISHAN, PLANTS RARE TREE

OW072028 Fuzhou FUJIAN RIBAO in Chinese 25 Jan 85 p 1

[Text] It was a bright, sunny day with a cloudless sky in Fujian's Wuyishan scenic district on 20 January. Accompanied by Comrades Xiang Nan and Ma Xingyuan, Vice Premier Wan Li of the State Council arrived in this favorable tourist spot.

Comrade Wan Li went boating on the Jiuqu River, and climbed the gigantic mountain peaks. He warmly praised the clear water in the river and the unique mountains as well as the trees that grow in the rock mountains.

Comrade Wan Li told Comrade Zhang Muliang, director of the Wuyishan Administrative Bureau: It is difficult to grow trees in rocky mountains. No one should be allowed to fell these trees; it would be disastrous. He also called for efforts to grow more flowers, maple trees, and other trees with colorful leaves to add more color in the scenic district.

On the morning of 21 January, prior to his departure from Wuyishan, Comrade Wan Li came to the Wuyishan Administrative Bureau building and planted a rare nanmu tree sapling.

WAN LI ON GUANGDONG TOUR RECEIVES ATHLETES

HK071240 Guangzhou YANGCHENG WANBAO in Chinese 4 Feb 85 p 1

[Report by Fan Boxiang: "Wan Li Meets World Windsurfing Champion"]

[Text] Guangdong should make full use of its favorable conditions in developing aquatic sports, and more efforts should be made in this field while developing all types of sports in the province. This was an instruction given this morning by Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier.

Vice Premier Wan Li today concluded his inspection tour in Guangdong and departed for Beijing. At 0930 he received seven outstanding Guangdong athletes and coaches, including Zhang Xiaodong, Qiu Yadi, and Liu Haiying, at the VIP room of Baiyun Airport. People on the scene included Lin Ruo and Wu Nansheng, secretaries of the Guangdong Provincial CPC Committee; Wang Pingshan, vice governor of the province; Guan Xiangshen, deputy secretary general of the provincial party committee, and Chen Jingkai, deputy director of the provincial Sports Commission.

During the 30-minute reception, Wan Li listened with high interest to Zhang Xiaodong's briefing on her experience in winning two world windsurfing championships. Then he said that there are more than 100 golden medals in aquatic sports, and Guangdong should make full use of its favorable conditions and try by every possible means to raise the level of these sports to win more golden medals in the 10th Asian Games for the motherland. Lin Ruo said that a training base will be established on Hainan Island. Wang Pingshan said that all coastal areas in Guangdong have the conditions to develop aquatic sports. On behalf of the provincial Sports Commission, Chen Jingkai pledged to do their best in developing all sports.

HU QIAOMU INSPECTS TWO UNIVERSITIES IN GUANGDONG

HK071244 Guangzhou NANFANG RIBAO in Chinese 3 Feb 85 p 1

[Report by Wan Yu: "Hu Qiaomu Inspects Sun Yat-sen University and South China Agricultural University"]

[Text] Comrade Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, inspected Sun Yat-sen University and South China Agricultural University between 29 and 31 January, accompanied by Guangdong Vice Governor Wang Pingshan.

Comrade Hu Qiaomu listened to reports by the two universities on educational reform, scientific research, running special courses for cadres, recruiting new party members from among the students, and how to bring into play the functions of the schools attached to them. Hu expressed his satisfaction over the high sense of responsibility of the two universities and the achievements they have scored.

He made some proposals and expressed his hope concerning how to carry out reform in the educational and scientific research systems so as to render more and better service to socialist modernization, how to improve the teaching of politics and ideological and political education, how to improve the living and studying conditions of the students, and the recruitment of new party members from among students of various classes and departments.

LEADERS SHOULD ESTABLISH TIES WITH GIFTED YOUNG

HK060911 Beijing RENMIN RIBAO in Chinese 5 Feb 85 p 1

[Commentator's article: "Leaders at Various Levels Must Get in Touch With Gifted Young People"]

[Text] Yesterday the leading comrades of the CPC Central Committee and the State Council invited scientists and technicians to discuss the question of China's policy on science and technology and the development of science and technology in our country. This practice must serve as an inspiration to our leaders at various levels.

Many leading comrades share a common feeling: They have insufficient knowledge and experience in carrying out the four modernizations and conducting reforms and are all, therefore, confronted with a task of restudy. It is a good method of study to establish contact with the gifted young people on various fronts. Gifted young people are the activists of the modernization program and elements imbued with an enterprising spirit who have made contributions in all industries and trades. They have many strong points, the most salient of which are that first, they have fairly rich book knowledge and practical experience in the jobs they are taking up, and second, with their minds liberated and fewer conventional ideas, they have the courage to blaze new trails. These two characteristics are precisely what many leading comrades need most to study.

Gifted young people live among the masses of the people and not in isolation. By making frequent contact with them, we can acquire an adequate understanding of what the people on all fronts who plunge into the four modernizations and the reform drive, young people in particular, think and do and what their opinions, demands, and experiences are. Through the instrumentality of gifted young people who play the role of a bridge, our leaders can maintain substantially close ties with the masses.

Gifted young people are the "most outstanding" elements in all fields of endeavor. "If a tree stands high in the wood, the wind is bound to destroy it." This was a common phenomenon in the old society and is not a rare occurrence nowadays. Apart from their indomitable vitality, suitable sunlight, temperature, and humidity are also indispensable to the maturity of gifted young people who are growing up sturdily like bamboo shoots springing up by breaking the ground. The support of our leaders contributes a great deal to the growth of gifted young people. That leading cadres take much care of and make frequent contacts with gifted young people means powerful support for them.

The practice of making frequent contact with gifted young people must be popularized and adhered to as a reform measure in our method of leadership.

RENMIN RIBAO DEFINES PARTY ENTERPRISE LEADERSHIP

HK061457 Beijing RENMIN RIBAO in Chinese 2 Feb 85 p 1

[Commentators article: "A New Task for Party Committee Secretaries"]

[Text] The system of managers assuming full responsibility has been adopted in the enterprises during the reform of the economic structure. How should the party committee secretaries carry out their work then? This question merits our careful consideration, and needs to be answered correctly.

Over the past few years, in the practice of organizing and leading production and operation, many enterprise CPC Committee secretaries have realized the necessity and urgency of implementing the system of managers assuming full responsibility. They whole-heartedly support this reform. However some comrades feel that since all important policy decisions are made by the factory managers in management and operation, how could party leadership play its role?

What is party leadership? In this respect, we must take as our criterion the "Decision on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee. If what the secretaries or managers do conforms with the spirit of the "decision," it means that they are adhering to the leadership of the party. If what they do does not conform with this spirit, they are running counter to the leadership of the party. For many years, when emphasizing party leadership in factories, mines, and enterprises, it often happened that the party secretaries took over everything. All matters in the factories or mines, no matter how big or small, had to be decided by CPC Committee secretaries, otherwise it would mean no "party leadership." This was a result of implementing the "leftist" guiding ideology in the economic field. As time passed, people got used to it and regarded this abnormal phenomenon as a normal one. Now it is time for us to thoroughly correct this incorrect idea and practice.

Some other comrades also show dislike for the system of the managers assuming full responsibility. However, they are not entirely proceeding from the needs of suiting measures to the new situation of enlivening the economy or strengthening and perfecting party leadership, but are afraid of losing their personal power. This is not the moral character of a CPC member, who should never worry about personal gains and losses. There is no difference in status between party secretaries and factory managers. What is different is only the division of work.

After implementing the system of the managers assuming full responsibility, the tasks for the party organization in the enterprises are: To enthusiastically support factory managers in exercising their powers in conducting unified command in production and operation, to guarantee and supervise implementation of various policies and principles of the party and the state, to strengthen the ideological and organizational construction of the party in enterprises and its leadership over trade unions and CYL organizations, and to carry out ideological and political work among the staff and workers. At present, the main task is to grasp party rectification and promote the reform. Although, compared with the past, the CPC Committee secretaries have less work to directly take care of, the loads on their shoulders are by no means lightened. On the one hand, they have to play their "supporting role" well and support the directors in exercising their powers in management and operation.

On the other, they have to play their "leading role" well and fulfill the above-mentioned tasks. We should say that this is a new and more arduous task for them. Doing a good job in this respect will play a decisive role in running the enterprises.

As the saying goes: "Do fewer things before doing more things." In the past, many party secretaries were working very hard and were always very busy, being bogged down in trifling routine matters. As a result, "the party is unable to take care of its own business." Those things that should have been grasped were not grasped, and those which should have been taken care of were not taken care of. Quite a few farsighted and ambitious comrades have already realized that implementation of the system of the managers assuming full responsibility has not only provided the managers with an ample scope for their abilities, but has also created favorable conditions for CPC Committee secretaries to "discuss major issues, grasp the whole situation, and take care of their own business." The CPC Committee secretaries and factory managers of the Beijing Printing and Dyeing Mill and the Shanghai Machine Tool Plant have supported each other and cooperated with each other. They have handed in excellent examination papers in the reform of the economic structure. If the CPC Committee secretaries and managers of all enterprises can follow their example and support each other in their work, the construction of the four modernizations will surely be carried out more smoothly.

Shanghai Plant Adopts Reform

HK061451 Beijing RENMIN RIBAO in Chinese 2 Feb 85 p 1

[Report by Zhang Shihong: "Shanghai Machine Tool Plant Implements Plant Manager Responsibility System"]

[Text] The CPC Committee of the Shanghai Machine Tool Plant has given full play to the supervisory role of party organization in reform and production in the enterprise and has achieved important successes in this respect since adopting the system of plant manager assuming full responsibility. The cadres and workers of the plant are united as one and the CPC Committee is enjoying a higher prestige than ever before.

The Shanghai Machine Tool Plant is a large factory with 6,000 staff and workers. In the reform of the economic structure over the past 8 months or more, in order to bring the party's work onto a new track, the CPC Committee of this plant has given play to its initiative and mainly grasped four major jobs.

First, unifying the thinking of party members and cadres so that they could gain a better understanding of the duties and responsibilities of the CPC Committee. At the initial stage of implementing the system of plant manager assuming full responsibility, quite a few political work cadres were not mentally prepared. They held that after the reform the party's leadership was weakened. In view of this, the plant CPC Committee organized party cadres to study relevant documents. After repeated discussions, they held that the CPC Committee should play the following five roles: the role of leadership in strengthening the party's ideological and organizational construction; the role of guaranteeing fulfillment of various tasks for the enterprise; the role of supervision in implementing the party's principles and policies; the role of supporting the plant manager in production and management; and the role of harmonizing the relations between the party, the administrative organs, the trade union, and the CYL.

After thinking was unified, the plant worked out "Detailed Rules and Regulations on the Responsibility and Power of the Plant Manager, Party Organization, and Trade Union," so that the party's work can be better carried out accordingly. The CPC Committee then concentrated its strength on discussing major issues and the whole situation. In this way, the party's ideological and organizational construction has been strengthened.

Second was to adopt effective measures on this basis to solve various ideological problems both inside and outside the party in the course of the reform. After carrying out investigation and study in workshops, the CPC Committee felt that quite a few cadres had cared too much about the interests of the plant during the reform, lacking the consciousness of taking the interests of the whole into consideration. As a result, the overall reform had been obstructed. In view of this, the CPC Committee carried out education among the cadres in this respect, helping them to adopt an overall point of view and to put the interest of the state first. Through this timely education, some one-sided viewpoints were rectified. For example, originally some workshops were reluctant to contract the production of low-profit products. After study, more such contracts were signed and carried out.

Third was to forcefully consolidate the ranks of cadres and workers. At the beginning, organizational measures were taken to consolidate the ranks of cadres engaged in political work, many of whom were old and had a lower cultural level. At the same time, through examination and training, a number of young workers under the age of 30 were selected and promoted. Then the on-the-job responsibility system for individuals and the on-the-job responsibility system for departments were revised by various departments of the plant CPC Committee as well as the trade union and the plant CYL Committee, emphasizing that cadres engaged in political work should master the first-hand materials and thoroughly improve their work style. During last August, led by the secretary, all members of the plant CPC Committee went deep into 10 workshops to carry out investigation and study. They held 27 informal discussions among the staff and workers so as to listen to their opinions on the reform. Thus they were better informed about the ideological situation of the plant and were clear about what to stress when carrying out education among the staff and workers.

Fourth was to grasp management's democratic style. In the new situation, some staff and workers thought that the power of the plant manager was strengthened while theirs was weakened. In view of this, soon after implementing the system of the plant director assuming full responsibility, a workers' congress was held, which was aimed at making all staff and workers understand that the democratic rights of the workers' congress and the position of the workers as masters of their own house are not changed, that the plant manager responsibility system is identical with the democratic style of management, and that the democratic style of management is the basis for unified command. Recently, they held a large-scale meeting of democratic appraisal, at which some 200 representatives of the staff and workers and middle-level cadres gave their appraisal of the work of the plant manager, the deputy managers, and the chief engineer; then the work of all middle-level cadres was appraised by 600 representatives of the staff and workers and section cadres. The method of secret ballot was used in this appraisal so the staff and workers could offer their opinions freely on awarding or punishing some cadres. After that, the workers' position as masters of their own house was strengthened. They had more confidence in the plant manager and were more willing to follow his command. Gan Yunlin, the plant director, said that as he is a CPC member, after adopting the plant manager responsibility system, he will continue to respect party leadership on all major issues concerning principles and policies, and enhance his sense of organization. In management, he will also conscientiously subject himself to supervision by the masses and set a good example for the whole plant.

As the understanding the thinking of the cadres and workers have been unified by the plant CPC Committee through grasping the above-mentioned four major jobs over the past 8 months, the unified command of the plant manager enjoys the support of various levels in this plant and the system of the plant manager assuming full responsibility has been carried out smoothly. Last year, the output value of this plant registered an increase of 13.5 percent over 1983, and its profits, 11.5 percent. Both its total profit and the profit rate of funds were the highest in the country compared with other enterprises of the same trade. Many of its products have been given awards.

RENMIN RIBAO URGES IMPLEMENTING PRICING POLICY

HK060619 Beijing RENMIN RIBAO Chinese 4 Feb 85 p 1

[Commentator's article: "The Correct Way To Do Business"]

[Text] Today, this newspaper gives a report on the practice of the No 1 retail department of Shanxi's Lucheng County hardware, transport appliances, and chemicals company in conscientiously implementing pricing policies and refraining from raising the prices of commodities in short supply. At the same time, we have published the suggestion of a number of individual traders in Xian City and Guangyuan County on refraining from raising the prices of goods they deal during the period of the Spring Festival. They deserve praise because they have resisted the influence of the unhealthy trend of some factories, shops, and individual traders who wantonly raise their prices in order to pursue ill-gotten gains and because they have thus protected the interests of the consumers.

At present, the supply situation in the market in our country is very satisfactory. However, some factories, shops, and individuals have thought out diverse ways to harm the consumers, raised prices publicly or in a disguised manner, or raised prescribed prices without authorization and without going through the prescribed procedure for examination and approval of price increases. In short, they have resorted to foul means to pursue more gains for themselves or for their small groups, persisted in pursuing financial gain only, and forgotten the goal of serving the people. This is entirely incompatible with socialist management thinking and style and runs counter to the goal of reform. Basic-level shops deal with the masses of people every day. The question of how they implement pricing policies will directly affect the confidence of the masses of people in the party's policies. This is a major matter that is the focus of the attention of tens of thousands of people.

"Sincerity attracts customers all over the world." The No 1 retail department of Shanxi's Lucheng County hardware, transport appliances, and chemicals company and many other shops have been honest in handling questions related to prices and have sold goods strictly at the prices fixed by the state. As a result, they have not only invigorated their business but also won customers. This is the only correct method by which to create a new situation.

The Spring Festival will soon be here and all areas must strengthen their control over the prices of goods. They should sternly punish those who exploit the opportunity to raise prices and thus earn ill-gotten profits. They should commend and award those who have resisted the unhealthy trend of raising prices without authorization, improved their administration and management, increased their sales, and met the demands of the new situation, whereby urban and rural purchasing power has been rising quickly. We should encourage the practice of taking into account the interests of the whole situation, observing discipline and law, providing service of fine quality, and earning a small profit margin with a large turnover.

Regarding the problem related to prices of goods, it is necessary to carry out ideological education in serving the people and serving consumers. At the same time, we should resolutely act in accordance with the unified arrangements of the government, strengthen mass supervision, resolutely put an end to the unhealthy trend of raising prices without authorization, and thus ensure the smooth progress of the reform in our pricing system.

Shanxi Retail Unit Lauded

HK060617 Beijing RENMIN RIBAO in Chinese 4 Feb 85 p 1

[Report: "No 1 Retail Department of Shanxi's Lucheng County Hardware, Transport Appliance and Chemicals Company Strictly Implements Pricing Policy"]

[Text] According to a report in GONGREN RIBAO: The No 1 retail department of Shanxi's Lucheng County hardware, transport appliances, and chemicals company has conscientiously implemented the state's pricing policy, vigorously improved its administration and management, adopted flexible and diversified methods of management, and raised its economic results. Last year, it overfulfilled the sales target set in its annual plan by over 200 percent. This department has earnestly protected the interests of the consumers and has not raised the price of any of the over 600 kinds of commodities that it deals in. Last July and August, it purchased 350 color TV sets from Tianjin. According to an instruction from the upper level, the prices of commodities in short supply can be raised by 5 to 15 percent, but it wanted to stabilize the prices of goods in the market and sold all the sets at prescribed sale prices. Last July, this department sold a number of fans to Shanxi fertilizer plant. Due to carelessness of a shop assistant, 9 yuan in excess of the fixed price was charged for each fan. When the leader of the department discovered this, he immediately went to the plant to repay the amount overcharged and to apologize.

To raise economic results, the department has adopted flexible and diversified methods of management and released part of its work force to form an information service group to go deep among the customers to learn about their demands and to send goods to them. At the same time, it has also formulated a series of methods of awards and punishments. Those who have made contacts and thus sold commodities can get bonus payments amounting to 0.1 percent of the amount of the sales. Those who have provided commodity information can get 0.5 percent of the amount of sales as a reward for their own use after the transactions are completed. Those who have raised prices without authorization and those who have committed mistakes are punished by a deduction from their bonuses or wages or received administrative punishment. By so doing, it has given play to the initiative of its staff and workers.

NATIONAL ECONOMIC CONFERENCE EXAMINES CHANGES

OW070833 Beijing XINHUA Domestic Service in Chinese 1503 GMT 6 Feb 85

[By reporter Zhang Jingsheng]

[Excerpts] Tianjin, 6 Feb (XINHUA) -- This reporter has learned from the current National Conference on Economic Work that, propelled by party rectification, economic reform, and the policy of opening to the outside world, China's national economy experienced many new changes in 1984. Viewed from the angle of industrial production and commodity circulation, China's national economy underwent five major changes.

First, by stressing economic results as the central task in industrial production, output, taxes, profits, and the state's financial revenue all increased proportionately. This showed that China's industrial production basically met society's needs: that the output of commodities selling well on the market increased; and that production was closely linked with the interests of the state, enterprises, and individual staff members and workers.

Second, the focus of reform began to shift from the rural areas to the cities. The cities quickened their pace of reform, and even achieved breakthroughs in some areas. The 10-item regulation for expanding the decisionmaking powers of enterprises, issued by the State Council, gave the latter more power in making decisions concerning production, management, and personnel and labor management. The implementation of the second phase of the changeover from profit turn-ins to taxation also created conditions for enterprises to engage in independent operations, and be responsible for their own profits or losses.

Third, the coastal regions began to play a vanguard role in China's open-door policy. There was a marked increase in the number of joint ventures and enterprises established with combined Chinese and foreign capital, as well as enterprises wholly owned and operated by foreign firms. The open-door coastal cities also served as a bridge between the introduction of foreign capital and technology for their own development, and that of inland regions.

Fourth, a vigorous upsurge of economic and technological cooperation was witnessed between the various regions. Initial statistics showed that, last year, contracts and letters of intent on interprovincial economic and technological cooperation were signed for over 17,000 items, doubling those signed in 1983. Among them, the number of items, related to the development of energy, local communications and production of critical raw and other materials increased 150 percent over that in 1983.

Fifth, significant progress was made in technological innovations and the introduction of new technology. Last year, China's total investment in technological innovations increased 11.4 percent over the previous year; and both the amount of foreign technology introduced and the volume of business concluded with foreign firms rose 150 percent over 1983.

Lu Dong Speaks

OW071013 Beijing XINHUA Domestic Service in Chinese 1612 GMT 6 Feb 85

[By reporters Xu Yaozhong and Zhu Zemin]

[Excerpts] Tianjin, 6 Feb (XINHUA) -- It was proposed at the National Conference on Economic Work, held by the State Council, that it will be necessary to correctly stress the central task of invigorating enterprises in 1985, particularly large and medium-size enterprises under public ownership, thereby further raising their economic results.

At the conference, opening in Tianjin on 5 February, Lu Dong, minister of the State Economic Commission, who was entrusted by the State Council, delivered a talk entitled "Persist in Reform, Open Up a New Path for Progress, and Invigorate the Enterprises."

He pointed out that invigorating large and medium-size enterprises means urging them to make a change, as soon as possible, from the purely production type of enterprise to a business-oriented enterprise, so that they can gradually sharpen their ability for self-improvement and self-development, continually improve economic results, accelerate development speed, improve technology, and raise the living standard of their staff members and workers.

Statistics show that there are 5,837 large and medium-size enterprises nationwide doing their own business accounting. Although they account for less than 2 percent of the nation's total number of enterprises, their fixed assets, industrial output, and taxes and profits turned over to the state account for 66, 47, and 66 percent respectively of the national total. While citing the above figures, Lu Dong said, these large and medium-size enterprises are a major source of the nation's financial revenue, and the main force behind development of social productive forces and economic and technological progress. They hold total sway over the entire national economy. Over the past several years, they have played a tremendous role in stabilizing the economy, ensuring the construction of key projects, and supporting the urban and rural economic structural reforms. Therefore, following the continuous, deepening development and structural reform of the national economy, we must seize the opportunity to invigorate the large and medium-size enterprises, otherwise, we shall never be able to build a vigorous socialist economic system with special Chinese characteristics.

Lu Dong said, although the various areas and departments have achieved certain results in implementing related regulations of the CPC Central Committee and the State Council on invigorating large and medium-size enterprises, investigations show that only about 15 percent of the nation's large and medium-size enterprises have made relatively good progress in invigoration. About 65 percent are undergoing changes, but without significant results. And, about 20 percent are in a difficult situation and have failed to make any progress.

Lu Dong maintained that two problems exist in the work of invigorating large and medium-size enterprises. Departments in charge of economic affairs have failed to wholly delegate state-given power to the enterprises, or have even retained a part of this power in their own hands. Some departments have failed to shift their work emphasis to serving the enterprises, still regarding the enterprises as accessories, and wanting them to serve these departments' own needs, instead of focusing their attention on creating a good business environment for the enterprises. While, on the other hand, the enterprises themselves have failed to make proper changes to their guiding ideology. They have failed to emancipate themselves from the long bondage of fixed ideas and old models. They have also failed to make the change from the purely production type to the business-oriented and enterprising type.

Lu Dong pointed out that, to invigorate large and medium-size enterprises, first it is necessary to unify thinking with the guidelines of the CPC Central Committee's decision on economic structural reform, establish the concept of a planned commodity economy, and manage the economy by developing commodity production. Next, it is necessary to adopt specific policies and measures suitable to the conditions of large and medium-size enterprises.

Yuan Baohua, vice minister of the State Economic Commission, presided over the meeting. Attending were leading comrades of the various provinces, autonomous regions, municipalities, and some cities; and leading comrades of departments concerned of the CPC Central Committee and the State Council, totaling over 800 people.

Urges Revamping Enterprises

OWO71716 Beijing XINHUA in English 1542 GMT 7 Feb 85

[Text] Tianjin, February 7 (XINHUA) -- China will continue to focus on improving economic results and striving for a synchronized growth in industrial production, profits and taxes and state revenue in 1985, the last year of the Sixth Five-Year Plan.

Addressing the on-going economic conference here today, State Economic Commission Minister Lu Dong said that the state will spend 36 billion yuan (about 12.8 billion U.S. dollars) this year on technical transformation of some 300 large concerns, as against over 30 billion yuan (about 10.7 billion U.S. dollars) last year.

Most of China's 5,800 larger enterprises need revamping, he said. He urges more technical fairs set up so that factories may buy more up-to-date and applicable technology for producing more and better marketable goods. He revealed that the state businesses' industrial output value rose 10.6 percent last year, state-levied taxes and profits rose 10.5, and state revenue rose 18 percent.

But state-run enterprises, especially larger ones, need to be revitalized now that they face great challenges from smaller enterprises, he added. He urged these enterprises to promote more middle-aged and young intellectuals with pioneering spirit to leading positions and train professionals in management, technical transformation and foreign economic relations. Starting from this year, he said, the state factories will institute the system of fixed term of office for factory directors and this is of vital importance in raising the quality of business executives.

The conference, which began Tuesday, is attended by provincial government officials and industrialists.

LIAOWANG: NO NEED FOR ANXIETY OVER REFORM

HK060845 Beijing LIAOWANG in Chinese No 4, 21 Jan 85 p 4

[Commentator's article: "Take a Cautious Attitude Toward the War and You Can Fight a Hundred Battles Without Losing One"]

[Text] People who have gone through war mostly have such an experience: The moment before the bugle sounds for battle, a person cannot help feeling a bit nervous. This is called a scary feeling that seizes a person when on the firing line, or mood of anxiety.

Now, it is a similar situation, at a time when the economic reform centering on the city is soon to be gradually unfolded throughout the country. Some people have shown ardent support for reform and have been eagerly looking forward to reform. But when it comes to the matter of really going into battle, they have cold feet. They fear in the end there may be certain mistakes and hazards.

Actually, the economic reform has been under way in certain areas for 3 or 4 years. Some measures, such as a switchover from profits to taxes, linking wage income with economic results, and so forth, have also been introduced in many enterprises, with nothing amiss reported. Now, the CPC Central Committee's decision on reform of the economic system has a basis on which to rest, in regard to both theory and major policy decisions.

The measures adopted are correct and the methods followed are steady and safe. Useful experiences have been obtained from experiments. The scary feeling displayed when on the firing line is uncalled for. Showing hesitation or indecision where a decision is required is ineffective. Nor will it do to stop at every step, only to be pushed forward.

Nothing gives more cause for fear and worry than the problem of commodity prices and wages. As far as the problem of commodity prices is concerned, the CPC Central Committee's decision says: "The reform of the pricing system is the key to success in the reform of the whole economy." This means two things. First, it will not do to carry out no reform, because the existing price structure is rather chaotic. The prices of many commodities fail to reflect values, and also the relations of supply and demand. Second, a good job must be made of any reform carried out, because it has a bearing on the whole situation. The results of various economic reforms, including the reform of the planning system and the reform of the wage system, will be determined, to a very large degree, by pricing system reform.

Since it will not do to carry out no reform, we cannot avoid getting involved with the pricing system out of fear for hazards ahead. This is because if we let it continue as is, the results will be worse. In this sense, any reform made is better than no reform. Therefore, we cannot hesitate and shilly-shally, making no decision, when a decision is required. Can we, then, make a good job of reform? We say we can, because there are two guarantees:

The first is that we have decided upon the correct prerequisites and principles. The most important prerequisite or principle is that we must protect not only the interests of producers but also the interests of consumers. We must enable producers to derive increased income from production and, at the same time, keep the consumers from being adversely affected. As far as methods are concerned, we must work out well-conceived and practicable programs, proceed in a planned and systematic manner, and adopt a very prudent attitude.

The second guarantee is that given most of the fundamental means of subsistence, goods, and materials are in the hands of the state, effective intervention can be carried out, preventing a serious trend toward rising prices. The fundamental interests of consumers can be guaranteed.

Given these two guarantees, a readjustment of irrational price parties, in line with the demands of exchange of equal values and changes in the relations of supply and demand, can in no way touch off a universal upsurge in commodity prices. Since 1981, Guangzhou City has taken an open-door approach toward pond fish, fruits, three kinds of birds (chickens, ducks, and geese), and other live products, doing away with the practice of planned purchasing and distribution. The result is a thriving market, with an abundant supply of products available, and steady and lower prices prevailing. In November 1984, the whole city also started reforming the purchasing and sales system for vegetables, loosening the grip and following a flexible approach. The initial result is an increase of 30 percent in the market prices of vegetables and a 30 percent increase in the proportion of edible vegetables. There has been a marked drop in waste. Variety is also clearly greater than in the past. Quality shows a marked improvement compared with before. From a long-term point of view, this is beneficial to producers, operators, and consumers.

Can reform of the economic system thus be described as a sure thing, with any setback ruled out? Of course not.

In war, even the most brilliant commander cannot be ever victorious in every battle. In other matters, also, it is rare to always succeed. Especially large-scale social practice like the reform of China's economic system cannot possibly be a success in every way, with not a single setback. As far as the rural reform in the past few years is concerned, it is a tremendous success. This is clear for all to see. But it is also not all clear sailing. The overall economic reform centering on the city is more complicated and arduous than the rural reform. It is unrealistic to expect guaranteed success with no a single setback. Reform is a new thing. It calls for doing something our predecessors have never done before. There are no precedents to follow. There are always many unexpected factors. All that we can ask is fewer and less serious setbacks. This is because fewer and less serious setbacks will not hurt China as a whole and will not affect the reform as a whole.

Minor setbacks are unavoidable, but major setbacks must not be permitted. Caution must be exercised in battle, in order to ensure victory. This is what we demand. Even 8 or 9 misses in 10,000 shots can be considered a great victory. Therefore, we must be ideologically prepared for minor setbacks. We cannot let a few minor setbacks shake our determination and confidence in reform! Meanwhile, we must also strengthen leadership, show prudence in giving guidance, and "make it across the river feeling for stones." This is to prevent major setbacks. We are confident that we can meet this demand and achieve victory in reform. Reform is what everyone desires. No difficulty can deter our progress with our minds set on the task.

RENMIN RIBAO ON ELIMINATING LEFTISM IN LITERATURE

HK071358 Beijing RENMIN RIBAO in Chinese 4 Feb 85 p 7

[Article by Chen Dengke: "The Spring Breeze Caresses Our Faces, Enthusiasm Is Running High"]

[Text] In the depth of the winter, I came to Beijing to attend the Fourth Congress of the Chinese Writers Association, but I felt the warmth of spring and the comfort brought by a spring breeze when I stayed in the capital! This warm spring breeze came from the loving care shown by the leading comrades of the party Central Committee for the writers, from the party's trust in the writers, and from the series of inspiring and brilliant decisions on literature and art adopted by the party's central leadership!

At the Third Congress of the Writers Association, we listened to a speech given by Comrade Deng Xiaoping. He called on people in the literary and art circles to further emancipate their minds, and criticized the practice of interfering in literary and art creation in a rude and wanton manner. In my view, these weighty words have sharply pointed out the harmful influence of the "leftist" guidelines on literature and art. Thus we should have justly eliminated the influence of the "leftist" ideas in the field of literature and art with the full support and guidance of the leaders in charge, and should have well summed up our positive and negative experience in this field since the founding of the PRC so as to promote literary and art creation to a higher level. However, it is a pity that our work and creation have continued to be disturbed by "leftism" from time to time over the past 5 years, and the continued "leftist" practices have sometimes seriously dampened the enthusiasm of our writers and artists.

Therefore, an important mission of ours is to follow the relevant instructions of the party central leadership, affirm our achievements, sum up our experiences, and firmly criticize the "leftist" ideas and their pernicious influence on literature and art so as to attain the goal of "bringing people's drive into full play, achieving great unity, and making literature and art flourish vigorously."

There was a proposition prevailing in the previous period, which held that efforts should be focused on opposing "rightist" tendencies in literature and art. This idea once became an unwritten rule imposed on the field of literature and art. It represented the prejudice of some comrades against our writers and artists and against the whole contingent of literary and art workers. These people are eager to find fault with the literary and art circles, and tend to hold tightly some shortcomings or problems in literary and artistic works. Then they will make many terrible and unjustifiable charges against our writers and artists, such as "violating the four basic principles," "refusing to maintain an identical political position with the party central leadership," "indulging in liberalist tendencies," "being disobedient," and so on. These false charges have confused truth with falsehood, achievements with errors, and the mainstream in the field of literature and art with some minor problems. Some people even continue to cherish the idea of "taking class struggle as the key link" and to give alarmist warnings to our writers and artists. Despite the repeated declaration of the party central leadership that no political movement will be carried out, these people are always trying to stage some movements to criticize this or that thing and trying to settle problems in the ideological and cultural field through political movements.

In the past 30 years and more after the early 1950's, antirightist campaigns were staged one after another every 3 to 5 years in the literary and art circles! To combat rightism, all mass media were mobilized to influence public opinion, and even things like handcuffs and foot-shackles were used. Rightism should have been opposed and eliminated quite thoroughly. However, our real problems came from the "left" wing, and the thing most harmful to our cause was the deep-seated "leftist" malady, but few people could see this point in those years. It would be hard for ordinary people to see what is behind literature and art, but they have their own criteria for distinguishing truth from falsehood. They do not believe that literary and artistic works have a magical power to ruin a country, but they know from their experience that a political movement beginning from criticism of a novel or a play script may bring about disastrous consequences and bring untold sufferings to them. So we must never allow the repetition of such historical tragedies in which political storms started from the field of literature and art.

I do hope that leading comrades in charge of the literature and art circles will go more frequently among the people to make some investigations, to listen to the real voice of the people, and to make less reckless conclusions on the basis of some gossip. For example, the Anhui provincial branch of the Writers Association sponsored a "Huangshan Pen Conference" [bi hui 4581 2585] with the approval of the Anhui Provincial CPC Committee. The conference had two purposes: First, we wanted to invigorate literary and art creation in Anhui Province, which was severely afflicted by political trouble during the 10-year domestic turmoil.

It was not until Comrade Wan Li took charge of work in this province that the disorganized contingent of literary and art workers in Anhui was restored and brought back into play. Through the "pen conference," we would be able to arouse our spunk with the aid of writers and artists in other provinces. Second, at that time Anhui had begun to introduce the contract responsibility system in agriculture, but comrades in other provinces did not have a good understanding of this measure. So we wanted to give more publicity to the responsibility system by inviting some writers to visit the countryside in Anhui. What was wrong with these arrangements? After the conference, the editorial office of the magazine ANHUI WENXUE carried a feature report entitled "Making Friends Through Literary Exchanges," which made public what had been discussed at the conference. There was no secret at all. However, this "Huangshan Pen Conference" has become a major target of numerous sneaky complaints filed by some people in recent years and has been criticized by name as if it was a clandestine meeting of a group of dissenters. But no leader in charge has earnestly talked with any of the people who organized or attended the conference in order to inquire into the event. Why so?

At present, it is hard to find support for the practices of seizing on people's faults, making false charges against people, and making scurrilous attacks on people. But some comrades are disgruntled over this situation and often grumble about the conceitedness of the writers and artists who, as they see, are now protected from any criticism. My God! Our writers and artists have been tortured by "leftist" ideas for so many years and have been criticized by both violent and nonviolent means. How can you say that they are so conceited as to reject any criticism? What is really worrying is the fact that the residual influence of the ultra-leftist ideas in the field of literature and art has not been thoroughly criticized and eliminated and that some people now continue to think that "leftism" is only a problem in methodology but rightism represents a problem in one's political position.

In his several speeches on literature and art, Comrade Deng Xiaoping has fully affirmed the achievements of our writers and artists in carrying out the line decided by the 3d Plenary Session of the 11th CPC Central Committee, and he has also shown the broad-minded and serious attitude of a fine statesman toward the deviations in the literary and artistic work. It is precisely the party's trust that has encouraged our writers and artists to break new ground in their work. In my view, the achievements in literary creation in recent years have marked the most brilliant chapter in the history of the new cultural movement in our country, which started from the "May Fourth Movement" in 1919. The size of our ranks of writers and artists is growing and their quality is improving. This is an accepted fact. However, we should not rest content with these achievements. Now our writers can better enjoy freedom of creation, so we should cherish our rights, be of one heart and one mind with the party and the people, and bring out more excellent works that are worthy of the great times.

IDEA OF MASSES AS MAKERS OF HISTORY QUESTIONED

HK060944 Beijing RENMIN RIBAO in Chinese 4 Feb 85 p 5

["Academic Trends" column: "Querying the Notion 'The Masses of the People Are the Makers of History'"]

[Text] Who are the makers of history? Marxist philosophy textbooks have always held that the masses of the people are the makers of history. Comrade Li Shu [7812 3412] put forth some points for discussion in this article entitled "On the Making of History and Other Problems" (carried by LISHI YANJIU [HISTORICAL STUDY] magazine, No 5 of 1984)

The author points out that the formulation, "the masses of the people are the makers of history," was an extended meaning and strained interpretation derived by the Soviet philosophers from some viewpoints in the book "A Short Course on the History of the CPSU (Bolsheviks)." The Soviet scholars held that the prerequisites for the making of history (activities of producing the means of material life) meant the entire history and, therefore, the makers of history, were the producers of material goods, the working masses, and the people of various countries. The author holds that the history of the production of material wealth is of utmost importance, and one who does not understand this point cannot correctly explain the history of other spheres and even the entire course of history. However, the history of producing material wealth cannot replace the history of all spheres happening on the basis of the activities of production of material wealth. In fact, the prerequisites for creating history are the current economic conditions, including the social productive forces and the relations of production. They are like the stage, which is indispensable to an operatic performance. The stage, however, cannot determine what performances and characters will be presented on it within the limits of the material conditions provided.

The author points out that another reason for discussing the notion "the masses of the people are the makers of history" is the formulation that the masses of the people are the makers of spiritual wealth. In this formulation, "source" is taken as "making" and substitutes the making of all spiritual wealth, thereby negating the contributions made by the scientists, thinkers, and artists, who are the real makers of all advanced scientific, cultural, and artistic works.

Put forth by Soviet scholars, the notion "the masses of the people are the makers of history" was transmitted to China and changed to read "the masses of people are the masters of history." The author points out that this formulation also was not scientific. Judging by the whole course of its development, the history of mankind develops according to its invariable trends, and the mode of production of the means of material life plays a role in restricting social, political, and spiritual lives. This restrictive role is the most fundamental factor determining the entire development of social, political, and spiritual lives, but it does not directly prescribe the concrete aspects and procedures of development of these lives. In different spheres, different personages play different roles. Therefore, the history of social development cannot substitute for the entire history, and it is inappropriate to say that the working people are the makers of the entire history and that the masses of the people are the masters of history.

In conclusion, the article points out: Marx and Engels never adopted these formulations. Instead, they often said that "the people themselves make their own history." Here, "people" refers to people in general. The word "making" did not imply the meaning, as was later given it by some people, of playing a decisive role in the course of historical development. Marx and Engels obviously held that all people were making their own history. It is inappropriate to say that the entire history is made by the producers of material goods, the working people, and the people of all countries, and that the rulers of various countries and those who are not among the producers of material goods and the working people do not take part in making history. This was not what Marx and Engels originally meant, nor does this conform to reality. Moreover, it does not mean that any maker, whoever he is, may make history according to his motives and ideas. Whenever they said that "the people themselves make their own history," Marx and Engels invariably stressed that it would be inappropriate to follow one's inclinations.

RENMIN RIBAO CRITICIZES MALTREATMENT OF PARENTS

HK060939 Beijing RENMIN RIBAO in Chinese 5 Feb 85 p 4

[Commentator's article: "Miserable Parents"]

[Text] "I do not beat you only because you are my father." Such a harsh and pitiless remark was heard on Wuhan Street. People probably could not believe that this was what a son said to his father. However, they believe it after witnessing how some old parents in Qiaokou District of Wuhan are maltreated by their children. What miserable parents!

Supporting parents and respecting parents-in-law is a good tradition of the Chinese nation. Relevant stipulations are also contained in the Constitution. There are many good sons, good daughters, good daughters-in-law, and good sons-in-law among our residents, who are respected by society. However, there is truly a small number of fierce, arrogant, unkind, and unworthy sons, daughters, daughters-in-law, and sons-in-law who acknowledge only money, and disregard family relationships. They like to use force to deal with family affairs, and turn a deaf ear to reasoning. They treat their old parents as beasts of burden, and refuse to assume the obligation of supporting them. Some of them have even driven their parents out of the home. This matter is justly condemned in the new society, and was also denounced even in the old society. Of course, some parents might have shortcomings and defects of this or that kind, but their children must not maltreat them because of this.

It is hard for us to believe that those who do not respect their parents are persons who can respect their comrades, their leaders, and other people. It is also hard to believe that they are persons who are determined to take an active part in the building of the socialist material and spiritual civilization. With regard to such persons, the units concerned and the whole society should subject them to discipline so that they will mend their ways and correct their mistakes. As for those who refuse to correct their errors after repeated education, or who violate the law, they should be punished according to law. There is an old saying: "Even an upright official finds it hard to settle a family quarrel." What it says is wrong. An "upright official" must settle family quarrels. Our people's governments at all levels, judicial departments, and other organizations, such as the party, the youth league, trade unions, women's federations, and so on should uphold justice for those old parents who are bullied and maltreated, and help them solve difficulties so that they can spend their remaining years in happiness. This is an item which should be included in the building of socialist spiritual civilization. This should also be an important element in our education on the legal system.

BANK TO LOAN CAAC \$600 MILLION FOR NEW PLANES

HK061400 Beijing ZHONGGUO XINWEN SHE in Chinese 1005 GMT 6 Feb 85

["The General Administration of Civil Aviation of China Will Borrow \$600 Million From the Industry and Commercial Bank of China To Buy New Planes" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 6 Feb (ZHONGGUO XINWEN SHE) -- Our reporter has learned from the Industrial and Commercial Bank of China that the bank will provide a loan, equal to \$600 million, to the General Administration of Civil Aviation of China this year for the purchase of new airplanes. This amount is over four times as much as the amount provided last year.

Starting last year, appropriation by the state was changed to loans from the Industrial and Commercial Bank of China for CAAC to buy airplanes. Last year CAAC obtained a loan of over \$130 million for the purchase of airplanes from the bank, which was used to buy three Boeing 737 passenger planes and three S-76 helicopters. Of these planes, the three Boeing 737 passenger planes, which were under the management of the Administration of Civil Aviation of Guangzhou, played a role of easing the strained situation in flights from Shantou, Zhanjiang, Haikou, and Sanya to Hong Kong.

The loan granted by the Industrial and Commercial Bank of China this year will be used mainly for the purchase of Boeing 737, 747, 767, A-310, and TU-154 passenger planes, as well as a number of specialized planes and domestically made planes.

PETROCHEMICAL CO. BOARD MEETS IN GUANGZHOU

HK071302 Guangzhou NANFANG RIBAO in Chinese 2 Feb 85 p 1

[Report: "China Petrochemical Corporation Holds Directors' Meeting in Guangzhou"]

[Text] Directors of the China Petrochemical Corp. held the third board meeting in Guangzhou from 29 January to 1 February. The meeting summed up the corporation's work last year and laid down the targets for this year's operations. The board is determined to make major breakthroughs in enlivening large enterprises, promoting sales, making technological progress, and developing foreign cooperation.

The corporation is now managing throughout the country 39 large-scale petrochemical productive enterprises and dozens of other undertakings related to the petrochemical industry, including technical schools, research and designing institutes, and construction units. These enterprises and undertakings employ a total of some 500,000 workers and staff members. The main purpose of establishing this corporation is to make full use of the oil and gas resources in our country so as to accumulate more funds for the four modernizations. Last year the gross output value of this corporation reached 27.4 billion yuan, or 9.7 percent more than the year before; its taxable profits reached 11.9 billion yuan, showing a 19.7 percent increase; and its tax and profit contribution to the state amounted to 10.3 billion yuan, an increase of 16.39 percent over the previous year. Thus, the three main performances indicators -- gross output value, taxable profits, and tax-profit contributions -- all improved substantially. On the basis of summing up last year's work, the corporation directors decided that new breakthroughs must be made in the four major fields and that greater efforts must be made to invigorate all of the subordinate enterprises, especially the large enterprises at the grassroots level, to reform the marketing organizations and promote product sales, to carry forward technological innovations and develop new technologies, and to strengthen foreign cooperation by striving to run more joint ventures with foreign companies and opening more factories, shops, and gas stations in other countries.

People attending the meeting included Li Renjun, chairman of the board, Chen Jinhua, general manager, and more than 30 vice chairmen and members of the board.

CIRCULAR ON BUSINESSES RUN BY ORGANS, CADRES

OW072024 Beijing Domestic Service in Mandarin 1200 GMT 5 Feb 85

[Text] The State Administration of Industry and Commerce issued a circular recently calling on administrations of industry and commerce at all levels to seriously look into and clear up the matter concerning businesses engaged in enterprises run by party and government organs and party and government cadres.

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The circular said: Party committees and governments at all levels have been implementing the CPC Central Committee and State Council decision on strictly prohibiting party and government organs and party and government cadres from engaging in any trade or running any enterprise since it was transmitted. Recently, the CPC Central Committee's Discipline Inspection Commission also issued a circular in which it demanded a serious effort to investigate and sort out the businesses engaged in enterprises run by party and government organs and cadres. Administrations of industry and commerce at all levels must implement this CPC Central Committee and State Council decision. They should regard this as one of their major tasks at present.

The circular spelled out the following as the work on which administrations of industry and commerce at various levels should concentrate their energy:

Inspect and check up one by one those enterprises run by party and government organs and party and government cadres which have been registered and issued licences. All those found to be in contravention of the guidelines of the decision of the central authorities should be given a time limit within which they must close down, and their licences must be suspended;

No approval should be given nor licenses issued to those businesses engaged in and enterprises run by party and government organs and cadres after the decision of the central authorities was transmitted;

Applications submitted after this clear-up operation for the opening of an enterprise should be subjected to a rigid examination in accordance with the principle of separation of government administration from enterprise management and separation of government enterprises from industrial and commercial enterprises. Failure to meet these conditions will be grounds for denial of approval and licence. The circular of the State Administration of Industry and Commerce called on administrations of industry and commerce at various levels to take immediate actions and to this work well.

LIGHT INDUSTRY CHIEFS DISCUSS CONSUMER GOODS

OW071235 Beijing XINHUA Domestic Service in Chinese 1333 GMT 5 Feb 85

[By correspondent Wu Qiliang, reporter Chen Yun]

[Text] Beijing, 5 Feb (XINHUA) -- Directors of light industry departments and bureaus from across the nation are meeting in the capital to discuss the policy and measures to be adopted this year for the development of light industry.

The present situation is such that, on the one hand, there is an increasingly large consumer demand for light industrial products, and the market is getting more expansive and brisk every day. On the other hand, however, because of the relatively inadequate supplies of raw materials and energy, tremendous efforts must be made to maintain a steady development of the light industry market this year. In view of this, Minister Yang Bo of the Ministry of Light Industry made a call in his report to the current National Conference of Directors of Light Industry Departments and Bureaus. He said that the major task for those working on the light industry front this year will be to carry out reforms vigorously to promote the development of consumer commodities production, and ensure that market supply meets the needs of the people.

The situation for China's light industry was excellent last year. According to the Ministry of Light Industry, the industry aggregated a total output value of 132.2 billion yuan in the year, up 11.3 percent from 1983.

Statistics of the more than 46,000 independent accounting light industrial enterprises showed that they registered an 11 percent increase in profits and tax payments compared with the previous year; there was a very rapid increase in the production of commodities in great demand; 454 categories of products were winners of state awards for quality, and ministry designation as good products; more than 5,000 new products were successfully trial-produced in various localities, and more than 65 percent of them were put into production.

Minister Yang Bo pointed out: Since light industry comprises many different trades in widely diversified categories, their reforms must be guided according to their different classifications. Collective enterprises should continue to push, and perfect, the economic contract responsibility system in various forms; state-owned small enterprises should learn from the experience of collective enterprises to become more flexible and enlivened; large and medium size enterprises should speed up reform; the main task of light industrial administration departments at all levels is to simplify administrative routines and delegate powers, separate government administration from enterprise management, strengthen macroeconomic guidance, and do well in overall planning, coordination, service, and supervision.

Yang Bo said: The measures to be adopted this year for the purpose of promoting the production of consumer commodities will include the following: Speed up technical renovations of the 73,000 and more enterprises of the entire industry, speed up the import of new technologies, and resolutely strive for a turn for the better regarding backward means of production and poor adaptability and competitive power of our products; actively readjust the structure of our products to increase the output of famous-brand, good-quality and high-marketability products, especially refrigerators, washing machines, bicycles of various brands, motorcycles, furniture, garments, plastic products, washing powder, leather and fur products, cultural, educational and sports goods, and aluminum products, and vigorously develop the food industry as well; strengthen the enterprises' management work, and strive to cut down consumption, lower costs, stop waste, and increase economic results; actively promote lateral economic contacts to push for economic and technical cooperation,; and attach importance to developing intellectual resources and speed up training competent people.

To make sure the light industry market keeps developing steadily, the state will continue to practice the "six priorities" principle. They are priorities in the supply of raw materials, fuels and electric power, in the measures for tapping potential, innovation and renovation, in obtaining capital construction forces, in getting bank loans, in foreign exchange allotments and import of new technologies, and in telecommunications and transport.

CHINESE-ENGLISH COMPUTER SOFTWARE DEVELOPED

OW080839 Beijing Domestic Service in Mandarin 1200 GMT 5 Feb 85

[Text] A Chinese-English computer software system for business management, developed by the Beijing Light Industrial College, passed inspection on 4 February. This system can be directly used in all kinds of management work in an enterprise. When used together with other software systems, it can display, in Chinese, all its functions and the corresponding operational methods. Simply by following operational instructions, a user will be able to accomplish all kinds of complicated digital processing. Management personnel, who do not have any computer knowledge or English, can also easily learn how to operate it.

ANHUI GOVERNOR REVIEWS 'RURAL ECONOMIC LEAPS'

OW051744 Beijing XINHUA in English 1641 GMT 5 Feb 85

[Text] Hefei, February 5 (XINHUA) -- Anhui Province has achieved three rural economic leaps since 1979 in the first step of reforms based on the introduction of the job responsibility system, said Governor Wang Yuzhao.

Wang said that this had paved the way for what he called the second step of rural reforms, which would focus on achieving a balanced development of agriculture, forestry, animal husbandry, sideline production and fisheries. He explained the second step was the continuation and deepening and the inevitable outcome of the first one.

"In the final analysis," he said, "the reforms are aimed at releasing rural productive forces and enabling the peasants to become better off as soon as possible." The first leap began in 1979, Wang said, with the institution of responsibility system, which linked output with individual benefits. Under this peasants farmed collective land on a contractual, household basis, while greatly expanding sideline production.

Peasants' initiative for production was greatly aroused as they could get what was left over from their work after paying a small amount of agricultural taxes to the state and money to the collectives. Compared with 1978, the province's agricultural output value reached 14 billion yuan last year, a rise of 150 percent. Grain output came to 22 million tons, up 50 percent. Per-capita income of peasants averaged 320 yuan, an increase of 180 percent. The second leap was marked by some peasants, who had skills and surplus funds and grain, switching from crop cultivation to specialized work, such as chicken farming and fish breeding, tree planting, transport, mining, food processing and construction.

By the end of 1984, the governor said, 1.93 million rural families, or one-fifth of the province's total, were engaged in specialized work. The figure represented an increase of 38 percent over 1978. The third leap featured increasing surplus rural labor force and funds flowing into towns and cities to start services and other businesses there, Wang explained.

He said: "The leaps have made it necessary to push forward the first step of rural reforms and encourage the peasants to produce according market demand by loosening the control on prices of agricultural produce and sideline products." He predicted that peasants would achieve prosperity even faster than before with the end of the mandatory state purchases and sales of farm products and the all-round development of agriculture.

SHANGHAI OFFERS MORE JOBS TO UNEMPLOYED YOUTHS

OW071950 Shanghai JIEFANG RIBAO in Chinese 31 Jan 85 p 1

[Text] Statistics compiled by the department concerned of the municipal Labor Bureau show that there are now 4,867,000 workers and staff members in Shanghai. More than 1.5 million of them were given jobs since the 3d Plenary Session of the 11th CPC Central Committee. This is equivalent to the total number of workers and staff members hired during the first decade after the nation's founding.

The statistics indicate that since the 3d Plenary Session of the 11th CPC Central Committee, the municipal People's Government has earnestly implemented the principle laid down by the central authorities in solving the issue of unemployment for young intellectuals, and has solved the problem of unemployment for more than 1.5 million young intellectuals and young people awaiting jobs by running cooperative, integrated, and collective enterprises.

At the same time, many skillful craftsmen and unemployed young people have taken the path of becoming self-employed. As of now, more than 31,400 people have become self-employed, 18,600 people more than at the end of 1978.

While a large number of unemployed young people are given jobs, many old workers and staff members have retired. The number of retired workers and staff members has increased from 480,000 in 1978 to 1,255,000 at the end of last year. Nearly 400,000 retired workers and staff members continued to work in various fields to lead the young workers and staff members in making contributions to the development of the four modernizations program. Particularly, many competent technicians have made contributions to developing village and township industries and the tertiary industry.

The statistics also indicate that there are more than 19,000 unemployed people for whom proper arrangements must be made to find jobs. About 60 percent of those unemployed are young women. The departments concerned in Shanghai hope that all trades will concentrate their efforts in solving the problem of unemployment for the young women while vigorously developing the tertiary industry.

ZHEJIANG'S WANG FANG GREETES PLA UNITS IN NINGBO

OW061425 Hangzhou ZHEJIANG RIBAO in Chinese 28 Jan 85 p 1

[By ZHEJIANG RIBAO reporters Lin Miaochun and Weng Damao]

[Excerpts] Ningbo, 27 Jan (ZHEJIANG RIBAO) -- Zhejiang and Ningbo sponsored a meeting at the Ningbo theater tonight to extend Spring Festival greetings to military units stationed in Ningbo.

Wang Fang, secretary of the provincial CPC Committee; Wang Jiayang, chairman of the provincial CPPCC Committee; Ge Hongsheng, secretary of the Ningbo Municipal CPC Committee; Geng Dianhua, mayor of Ningbo; as well as leading comrades of various provincial departments attended the meeting.

Leading members of PLA units and People's Armed Police units in Ningbo, including Xie Zhenghao, Feng Da, Mei Hejia, Liu Zuoliang, Zhu Jinyou, Yang Xinghua, Cheng Ruozhong, were also present. Also attending the meeting were representatives of commanders and fighters of PLA and People's Armed Police units in Ningbo; representatives of families of revolutionary martyrs and army men; representatives of disabled, demobilized, and retired servicemen; as well as leading members of departments concerned in Ningbo.

Comrade Wang Fang briefed the meeting on the united struggle army men and people have carried out in Zhejiang over the past year and their significant achievements on all fronts. He highly acclaimed the commanders and fighters in Ningbo for their contributions to opening Ningbo and Wenzhou to the outside world. Comrade Wang Fang said that the heroic troops and People's Armed Police units in Ningbo rendered new meritorious services to the people during the past year; they are worthy of the name of People's Armed Forces and the nation's loyal fighters because of their round-the-clock vigilance in guarding the motherland's east gate, their full support for economic reform and modernization, their manpower and material support for key construction projects, their participation in public projects and relief work, their protection of fishermen and other escort missions, and their cooperation with local people in building a civilization with socialist spirit.

Comrade Wang Fang stressed that Army-government and Army-people unity was an important guarantee for the victories achieved in all fields during the past year.

He hoped that army men, government personnel, and the people will continue to work in unity during the new year to ensure normal progress of economic reform and the realization of the general tasks set by the 12th party congress.

On behalf of the Armed Forces in Ningbo, Xie Zhenghao, commander of the East Sea Fleet of the PLA Navy, expressed his heartfelt thanks to the leading party and government comrades in Zhejiang and Ningbo. He pledged: During the new year, the Armed Forces will continue to carry forward the glorious tradition of supporting the government and cherishing the people, continue to promote Army-government and Army-people unity, earnestly implement the guidelines set by the 3d Plenary Session of the 12th CPC Central Committee, and obey Comrade Deng Xiaoping's instruction that "the Armed Forces must serve the general situation of national construction" and continue to support national construction with their manpower and material resources. He said that army men in Ningbo will, within their capabilities, continue to render all-out support for the building of material and spiritual civilization in Ningbo, and work with the local people in turning Ningbo into a culturally, scientifically, and economically developed socialist port city.

Beginning 28 January, Wang Fang, Wang Jiayang, Geng Dianhua, and other comrades will visit leading PLA organs and grassroots units in Ningbo as well as army men hospitalized or recuperating in various military hospitals.

ZHEJIANG DISCIPLINE BODY ON GIFTS, PARTIES

OW080042 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 5 Feb 85

[Text] The Discipline Inspection Commission of the Zhejiang Provincial CPC Committee today circulated a notice reproaching the Ningbo City Advertising Decoration Design Company, the Ningbo Advertising Company, and the Ningbo People's Broadcasting Station for squandering public funds by inviting guests to dinner parties and presenting gifts to guests. The notice urged party committees and discipline inspection commissions at all levels, while carrying out the current party rectification, to put an end to the bad practice among some party members and cadres of seeking personal gain or minor gain for their unit under the signboard of "opening to the outside world," "invigorating the domestic economy," and "reform," in order to ensure that reforms in various areas progress according to the principles set by the Central Committee.

The Ningbo City advertising decoration Design Company squandered more than 126,600 yuan in entertaining customers and another 82,700 yuan in celebrating its fifth founding anniversary in mid-November 1984. The Ningbo Advertising Company and the Ningbo People's Broadcasting Station spent 52,000 yuan in the name of holding advertising promotion meetings by giving parties and distributing gifts to guests.

After the occurrence of these two incidents, the Ningbo City CPC committee and the city Discipline Inspection Commission ordered a thorough investigation. These two incidents have been handled, and the city Discipline Inspection Commission and the city party committee's Party Rectification Office have issued separate notices on these incidents.

GUANGDONG ABOLISHES STATE PURCHASE OF GRAIN

HK060930 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 5 Feb 85

[Text] The provincial People's Government recently decided to abolish the unified state purchase of grain and edible oils, and to replace the practice with contracting.

In general, this measure is: Beginning from 1985, the province will abolish the unified state purchase, and replace the practice with contracting. In principle, each locality should fulfill a 3-year contract on the production volume of products, except for minority poverty-stricken areas and those receiving particular care from the government which will be partially relieved of or exempt from making the contracts. In addition, the province will introduce practices of producing sufficient grain for sales and delivery, as well as making contracts level upon level. When contracting for grain purchases, the purchasing price will be fixed according to the unified regulations of the state, that is in the proportion of three to seven.

The third way of setting the purchasing price is to follow the price level set by the departments concerned, whereas units at the grassroots level will retain the original price for purchasing products in excess of their production quotas. Therefore, the province can abolish pricing subsidies, such as allowing additional sales of chemical fertilizers and purchasing products at a price exceeding the basic one, which were formulated by the provincial authorities. On fulfilling purchase contracts, the units may deliver grain or cash to the authorities. In the latter case, the amount of cash will be based on the market price, which may be higher than the difference between the three-seven proportion.

Excess grain after purchasing will be allowed to go on the free market. Edible oils will also be purchased by contracting. Meanwhile, the province will make contracts on transferring these products into and out of the province. The province will also introduce new methods for setting the purchase price.

HUBEI SCIENTISTS, TECHNICIANS ALLOWED MOBILITY

HK060705 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Feb 85

[Text] The province will make a breakthrough in reforming the management system of scientific and technological personnel. Those scientific and technological personnel who have not used their professional knowledge, have failed to give full play to their strong points, or have nothing to do in their own units and who are willing to move from cities to rural, remote, and mountain areas or from units which abound in talented people to medium-sized and small enterprises and town and township enterprises which lack talented people can resign from their original posts, with the approval of the provincial Scientific and Technological Cadres Management Bureau. The remuneration of such resigning personnel in the new units should be decided by the two sides after negotiation. Only the minimum pay level should be set, and no ceiling should be set.

This was disclosed by a responsible comrade of the provincial Scientific and Technological Cadres Management Bureau to a reporter of the station.

The responsible comrade said that the province has all along been like stagnant water in the management of scientific and technological personnel. The vast majority of the 510,000 scientific and technological personnel in the province are in universities, colleges, scientific research institutions, and large enterprises and institutions. In some areas and units, such as nearly 1,000 town and township enterprises in Yunxian County, there are no scientific and technological personnel at all.

How is it that there are very few talented people in some places while there are redundant talented people in other units? The basic reason for this is that talented people cannot be transferred freely.

Full of confidence, the responsible comrade told the reporter that allowing scientific and technological personnel to resign under certain conditions will certainly promote the reasonable circulation of talented people, eliminate the defects in the transference of talented people caused by barriers between different areas and departments and between enterprises of different kind of ownership, and overcome intellectual inbreeding, so that scientific and technological personnel can work in the places where they are able to give full play to their wisdom and abilities.

HUBEI CADRES' ILLEGAL BUSINESS ACTIVITIES PROBED

OW031309 Beijing XINHUA Domestic Service in Chinese 1139 GMT 2 Feb 85

[Excerpts] Wuhan, 2 Feb (XINHUA) -- The Circulation Department of ZHONGHUA WENXUE [CHINA LITERATURE] speculated in state materials in short supply and a number of party and government organs and cadres were involved. Recently the Wuhan City CPC Committee and People's Government sternly handled this case of doing business by abusing one's power and conducted education throughout the city on the basis of this case with a view to curb this evil trend resolutely.

The Circulation Department of ZHONGHUA WENXUE was set up in last year in August. Eleven party and government cadres of Hubei Province and Wuhan City were employed as "advisers" and the Public Security Section of the Wuhan City Public Utilities Bureau contributed 20,000 yuan to become a shareholder and receive dividends.

After the related departments gained a clear knowledge of the Circulation Department's activities through a preliminary investigation, the Wuhan City CPC Committee and People's Government on 28 January made the decision that the Wuhan Circulation Department of ZHONGHUA WENXUE should immediately stop all illegal business activities pending investigation; that the Wuhan Public Utilities Bureau should immediately withdraw its investment in the Circulation Department and give to the Finance Department at a higher level all dividends it had received; that the city's party and government cadres who were "advisers" to the Circulation Department should immediately sever relations with it and those who had a part in the Circulation Department's business activities must undergo further investigation; and that party and government cadres of the provincial level involved in this legal violation should be turned over to the provincial CPC Committee and the provincial Discipline Inspection Commission for investigation and handling.

After investigating and handling this case, the Wuhan City CPC Committee and People's Government realized that the evil trend of doing business by abusing one's power was not totally corrected in Wuhan. For this reason, they laid down a 4-point regulation in view of Wuhan City's specific conditions: 1) Party and government organs and cadres are strictly prohibited from doing business or running enterprises. The enterprises already operated by them, if beneficial to the country and people, should be transferred to units or individuals qualified to run enterprises, but economically they should have nothing to do with organs of cadres; the enterprises which lack positive aspects for the country and people should be closed down. 2) Party and government organs and cadres should immediately withdraw their investment or shares and party and government cadres involved must resign from any positions within the enterprises. 3) Party and government organs and cadres must surrender to higher finance departments all profits which they have illegally obtained from doing business or running enterprises and return all dividends to the enterprises.

In principle, party and government cadres' income from serving the enterprises at whichever posts should be returned to enterprises. 4) Party and government cadres, including retired ones, who have been involved in speculating in state materials in short supply, should quickly and voluntarily conduct self-criticism and pay back their illegal gains; those whose activities have caused serious consequences should be seriously investigated and sternly handled.

HUNAN MILITARY ABOLISHES REDUNDANT ORGANS

HK061422 Changsha Hunan Provincial Service in Mandarin 1100 GMT 5 Feb 85

[Text] In the course of party rectification, the Standing Committee of the provincial Military District CPC Committee boldly abolished 11 redundant administrative organs and established a normal work order of taking up responsibility according to different levels and quality. It issued a circular on 1 February to the whole military district on this decision.

Previously there were 14 leading groups, committees, and temporary offices in the military district. These organs were set up one after another in order to show the importance attached to one specific task. Due to redundant organs at different levels, many matters which could be handled by professional departments had also to go through many procedures level by level. In some cases decisions could only be made by members of leading groups and committees at meetings. The work was inefficient.

In the course of party rectification, the members of the CPC Committee of the provincial military district first threw away the convention of formalism. Proceeding from the principle of streamlining administration and seeking practical effects, they made an analysis of the necessity of the existence of various committees and leading groups. They decided to retain the Maintaining Secrecy Committee, the Family Planning Work Leading Group, and the Sports Guidance Committee. All the other 11 leading groups and committees, which were merely nominal, were abolished.

After the abolition of these organs, the provincial military district immediately established a normal work order of taking up responsibility according to different levels and quality. It stipulated that concrete work should be handled by responsible professional departments, and important problems should be decided by leaders in charge of the work and leaders of the provincial military district. This will not only bring into play the role of functional departments, but can also reduce procedures and raise efficiency.

YANG ARTICLE ON RESPECTING SICHUAN TEACHERS

HK060459 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 5 Feb 85

[Text] According to SICHUAN RIBAO, Yang Rudai, secretary of the provincial CPC committee, has recently written an article for SICHUAN JIAOYU [SICHUAN EDUCATION] magazine, titled "A New Practice of Respecting Teachers Among the New Generation." In the article, he congratulated the province's teachers on the establishment of a teachers' festival.

In his article, Comrade Yang Rudai said: The Ninth Session of the Sixth People's Congress Standing Committee has decided to fix the date of the teachers' festival as 10 September. This is not only an event of great happiness for the education front but also a major event that conforms to the present trend and enjoys the ardent support of hundreds of millions of people.

In his article, Yang Rudai pointed out: "The practice of respecting teachers and education has a bearing on the progress of society and the development of the economy, as well as concerning thousands upon thousands of households. It is also an issue involving the whole society and the whole party. In particular, the undertaking of general education should be the responsibility of local authorities. Whether or not the education undertaking is moved forward, and whether teachers are respected in an appropriate way are the specific manifestations for determining whether the leadership of a locality has strategic foresight, and attaches great importance to knowledge and qualified personnel.

Only when we make resolute and unremitting efforts can we make the practice of respecting teachers prevail. From now on, we must concentrate more on doing practical work rather than indulging in idle talk. We must gradually strike root in the hearts of people the concept of respecting teachers, and make it become a conscious action of the whole society.

In conclusion, Comrade Yang Rudai urged teachers to fully understand the glorious mission that they shoulder, to always bear in mind the great trust placed in them by the party and the people. They should continuously improve their political and cultural quality, as well as their professional teaching level. They should strive to win the respect of the whole of society with their actual work of being devoted to the people's educational task, their superb teaching skill, and their erudition.

YIN FATANG ON XIZANG RECTIFICATION ACHIEVEMENTS

HK030548 Lhasa Xizang Regional Service in Mandarin 0500 GMT 3 Feb 85

[Excerpts] The regional group of guiding party rectification held a meeting of party-member cadres at and above county-level in the regional organs on 1 February. Yin Fatang, first secretary of the regional CPC Committee and head of the group, made a summation report on party rectification in the first group of units in first-stage rectification.

In his report Comrade Yin Fatang fully affirmed the achievements of the units in this group. He said: After nearly 1 year, the first group of 25 units in first-stage party rectification in the region have enhanced their understanding, unified their thinking, improved their work style, and met the demand for promoting Xizang's economic construction. They have strengthened party spirit, and the vanguard and model role of party members has been well brought into play. They have basically completed the tasks set by the central decision on party rectification.

Comrade Yin Fatang said: During this party rectification, some serious instances of bureaucratic work style and of using power for private purposes have been ferreted out, and a great deal has been done to investigate and verify people of three categories.

Progress has been steady and healthy. The party organizations have become purer and stronger. During this party rectification there have been no instances of personal attacks or laying of false charges, nor have violations of policy or erroneous methods such as beating people with clubs or grabbing them by the pigtailed occurred. The fine tradition and work style of criticism and self-criticism have been carried forward and developed, and an excellent democratic atmosphere has appeared.

In his report Yin Fatang also specifically pointed out the main problems existing in the first group of party rectification units. He expressed the hope that through carrying out serious review and summation, the units would strive to consolidate and develop the fruits of party rectification, continue to promote party building, and spur and ensure the smooth progress of reform of the economic structure and all economic construction. The first group of party rectification units in Xizang are mainly departments of the superstructure engaged in propaganda, culture, education, journalism, and publishing. They include 1,340 party members and 97 grassroots party organizations. They started rectification at the end of 1983. The regional party rectification office has recently found them to be basically up to standard and has approved the basic completion of their party rectification.

YIN PRAISES RICH XIZANG COLLECTIVES, INDIVIDUALS

HK071438 Lhasa Xizang Regional Service in Mandarin 0500 GMT 6 Feb 85

[Excerpts] On 5 February, the region held an entire day meeting for advanced individuals and collectives to exchange experiences in striving for prosperity through labor. Both the morning and afternoon sessions were presided over respectively by Yangling Doje, secretary of the regional CPC Committee; and Yang Zongxin, vice chairman of the regional People's Government. Yin Fatang, first secretary of the regional CPC Committee, other regional leading comrades, as well as representatives sat at the foot of the rostrum and listened to the talks by experts on their experiences in getting rich through labor. The remarks of the representatives vividly show that the party's policy of striving for prosperity is the aspiration of the masses, enjoys popular support, and has scored remarkable results. The party's policy of striving for prosperity has greatly encouraged the region's experts in getting rich through labor, so that they have moved forward freely on the road to prosperity. Among them is (Luosang Wangdui) from (Naisha) Town, (Zhongji) District, Jiangzi County.

Party member (Luosang Wangdui) unswervingly believes in the party's policies. He tries his best to attain prosperity through labor. In 1982 his per-capita income was more than 1,500 yuan, and reached more than 3,200 yuan in 1984. Under the circumstances in which his living standard was fairly high, he paid no attention to rumors and deeply believed that the party would not change the policy of striving for prosperity. In 1984 he bought two tractors, and bought another one with somebody else. In addition, he purchased a large quantity of means of production in a bid to expand reproduction. Therefore, the per-capita income of his household reached the 6,000 yuan level. But he still was not satisfied with the situation and tried to get richer. Now he has formed a joint-venture shop with 12 peasant households and has invested 30,000 yuan. He has also established and leads a 500-odd member construction team so as to earn more money.

On 30 August last year, Hu Qili, secretary of the CPC Central Committee Secretariat, and Tian Jiyun, vice premier of the State Council, visited his house and highly praised his agriculture-industry commerce economic combine. Now (Luosang Wangdui) earnestly hopes to strengthen investment in intellectual resources so that the future prospects will become much better.

HEBEI SOLVES PROBLEM OF RECRUITING INTELLECTUALS

HK071514 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 2 Feb 85

[Excerpts] The province has basically solved difficulties of outstanding intellectuals in joining the CPC. According to the statistics of departments concerned, the province recruited a total of more than 32,000 intellectuals as party members in 1984, accounting for 47 percent of the total number of people recruited, or equivalent to 3.7 times the 1983 figure.

Since the 3d Plenary Session of the 11th CPC Central Committee, the province's proportion of intellectuals among the newly recruited party members has been on the increase. Last May, Gao Yang, first secretary of the provincial CPC Committee, went to Hebei University and Hebei Agricultural University and held forums with intellectuals in order to understand the situation. He found that intellectuals still generally had difficulties in joining the CPC. The situation was even worse in some localities.

In order to completely solve this issue, the provincial CPC Committee Organization Department selected seven typical negative examples of difficulties faced by intellectuals in joining the CPC. The department then publicized them across the province. It urged party organizations at all levels to integrate work with realities and to check problems in their local units in recruiting intellectuals as party members. It also urged them to analyze the cause and work out methods for solving them at an earlier time. At the same time the Organization Department summed up and publicized eight typical cases, including the experience of the party Organization Department and the provincial Cultural Department in recruiting (Wang Changyin), a playwright of Hebei local operas. This has played a positive role in guiding the province's party organization departments at all levels to correctly understand and grasp the party's policy, and correctly distinguish right from wrong. Therefore, the work has made rather great progress in solving difficulties of intellectuals in joining the CPC, and a large number of outstanding intellectuals joined the party.

In the course of solving difficulties of intellectuals in joining the CPC, the Organization Department of provincial CPC Committee regarded as the focal point throughout the work those units having outstanding, long-standing, major and difficult problems.

The provincial CPC Committee Organization Department also clearly put forward that we must seriously criticize and educate any leading cadre who does not have the correct ideology, is jealous of other people's talent, does not seriously implement the policy toward intellectuals, and prevents outstanding intellectuals from joining the CPC. Also, we must resolutely dismiss from office any leading cadre who does not correct his practice despite receiving education.

The recruitment of a large number of outstanding intellectuals has greatly encouraged the intellectuals. Consequently, their applications for admission to the party have poured in. At present the province has received more than 92,000 applications from intellectuals, accounting for 30 percent of the total number of intellectuals.

HEBEI CPC HOLDS MEETING ON PARTY WORK STYLE

HK061212 Shijiazhuang HEBEI RIBAO in Chinese 23 Jan 85 p 1

[Report by staff reporter Zhang Wenguang: "The Shijiazhuang Prefectural CPC Committee Holds a Meeting To Exchange Experiences in Rectifying Party Work Style; Xing Chongzhi, Others Attend and Speak at the Meeting"]

[Text] The Shijiazhuang Prefectural CPC Committee recently held a meeting in Luancheng County to exchange experiences in rectifying the party work style.

Leading comrades of the Central Discipline Inspection Commission, the provincial CPC Committee, provisional Discipline Inspection Committee, and the Shijiazhuang Prefectural CPC Committee, including Xing Chongzhi, Zhang Junfa, Zhang Kerang, Li Xing, and Ji Jianpo, attended and spoke at the meeting. Representatives from Beijing, Shandong, Heilongjiang, Sichuan, Ningxia, and Henan, as well as from other prefectures and cities in our province, attended the meeting. The leading comrades of the Central Discipline Inspection Commission, the experimental group of the Hebei Provincial CPC Committee for conducting education in party spirit, party work style, and party discipline in Luancheng, the Shijiazhuang Prefectural CPC Committee, and Luancheng, Gaocheng, and Zhanhuang Counties introduced their experiences in grasping the party work style to promote reform and to ensure the increase of total industrial and agricultural output value by 100 percent.

The meeting summed up and exchanged experiences in rectifying the party work style and studied the plans and measures for fundamentally improving the party work style in Shijiazhuang Prefecture. The meeting pointed out: Grasping party work style to promote reform and to ensure the increase of total industrial and agricultural output value by 100 percent is a basic guiding principle for our work at present and for a certain period in the future. The CPC committees at various levels should conscientiously pay close attention to the following tasks: The units carrying out party rectification should concentrate on grasping the party work style and, through party rectification, ensure a fundamental improvement in party work style in the units; close attention should be paid to conducting regular education among party members; efforts should be made to avoid and rectify new unhealthy practices under the new situation; and practical efforts should be made to strengthen leadership and to pay close attention to party work style, which is a matter of vital importance to the situation as a whole, and to strive to attain a fundamental turn for the better in party work style throughout the prefecture in the next 1 and 1/2 years.

Xing Chongzhi, secretary of the provincial CPC Committee, spoke on three issues -- defining the central task, grasping the five links, and strengthening the discipline inspection contingents.

Zhang Junfa, deputy director of the Education Office of the Central Discipline Inspection Commission, and Zhang Kerang, secretary of the provincial Discipline Inspection Committee, dealt with the general tasks of discipline inspection work and the building of discipline inspection contingents.

Li Xing, secretary of the prefectural CPC Committee, pointed out that it is necessary to raise our consciousness and steadfastness in achieving political unanimity with the CPC Central Committee and to regard this as a question of prime importance to the rectification of party work style. He also stated that it is crucial to the rectification of party work style for the leading bodies to be honest and upright in performing their official duties and to be bold in tackling tough problems. He said: Leading cadres at various levels should, first and foremost, clean up themselves and then, starting from the prefectural CPC Committee, carrying out general cleansing from one level to another, with one level helping another. If the prefectural CPC Committee takes the lead in tackling tough problems, it will be able to set an example for the cadres at various levels. Efforts should be made to popularize Liulingtun's experiences, to extensively and penetratingly conduct education in the basic knowledge about our party, to improve the political quality of party members, to rectify the new unhealthy practices that have emerged in the wake of reform, and to ensure the smooth progress of reform of the economic structure by rectifying the new unhealthy practices.

NINGXIA'S LI XUEZHI ON RURAL ECONOMIC REFORM

OWO31440 Beijing XINHUA Domestic Service in Chinese 0751 GMT 2 Feb 85

[Text] Yinchuan, 31 Jan (XINHUA) -- At the Ningxia Autonomous Region's rural work meeting, which concluded on 31 January, Li Xuezhi, the regional party committee's secretary, pointed out: This year Ningxia should further readjust its rural production structure in accordance with market demands and accelerate rural economic development.

Noticeable changes have taken place in Ningxia's rural production structure since the 3d Plenary Session of the 11th CPC Central Committee. In 1984 the autonomous region's income from forestry, animal husbandry, sideline industry, fishery, industry, and commerce accounted for 41.4 percent of the total income from rural areas, an increase of 14.7 percent over 1983. The production structure, however, is still not very reasonable. In the area of farming, the production of cash crops is too small, and so is the proportion of agriculture, forestry, fishery, and particularly animal husbandry in the area of agriculture. Moreover, the role of village and township enterprises and the tertiary industry is far less significant in the rural economy as a whole.

Therefore, Li Xuezhi put forth that an important place must be given to the development of village and township enterprises in Ningxia's rural work for 1985. First of all, it is necessary to develop the village and township enterprises with more emphasis on processing agricultural and sideline products and organizing forces to transfer technology of processing agricultural and sideline products to rural areas in order to increase the output value. How can village and township enterprises be developed without sufficient funds? They can be developed by relying on the efforts of the masses, that is, by making good use of the more than 45 million yuan of funds formerly accumulated by the collectives, and by properly relaxing the restrictions on private loans and loans to both individually-run and collectively-run enterprises.

Li Xuezhi called for appropriately expanding the area for planting cash crops and forage crop in the irrigation areas using water from Huang He and for accelerating the development of the two 1-million mu new irrigation areas in northern and southern Yinchuan. It is necessary to continue to plant grass and trees in hilly areas, and those areas that are used for farming must be changed back to the use of forestry and animal husbandry. It is also necessary to develop animal husbandry in both hilly and river areas vigorously. The autonomous region has decided to supply 50 million jin of grain forage to the rural areas at the state fixed price so as to support peasants in raising cows, sheep, hogs, and fish.

In the area of trade, Ningxia must be further opened to the outside world. While letting people of other places do business here, it is also necessary for us to do business outside Ningxia, set up companies, enterprises, and stores in other places and develop markets for Ningxia's Muslims' foodstuffs, goods of minority nationalities, and agricultural and sideline products, industrial products, and crafts. It is particularly important to have the determination to change the current situation of selling solely raw materials and failing to sell processed products.

Li Xuezhi emphasized: Leading cadres at all levels in rural areas must shift the emphasis of their work to readjusting the rural production structure and, after 3 years of efforts, make the output value from the region's village and township enterprises and diversified economy account for two-thirds of the total agricultural output value. This year it is necessary to increase the per capita income of the peasants by 50 yuan, and in certain counties and townships, by 100 yuan.

TAIPEI DISTRICT COURT HANDLES HENRY LIU CASE

OW060451 Taipei CNA in English 0338 GMT 6 Feb 85

[Text] Taipei, Feb. 5 (CNA) -- The prosecutors' office of the Taipei District Court has decided to make a thorough investigation of the Henry Liu murder case, and begin a trial of the two suspects, Chen Chi-li and Wu Tun, as soon as possible.

Chen Han, chief prosecutor in the Taipei area, said Tuesday that he has instructed the prosecutor in charge of the case to make a thorough investigation of the case and pay attention to the stipulations of Article 2 of the Code of Criminal Procedure while collecting evidence.

Article 2 of the Code of Criminal Procedure says a public official who conducts proceedings in a criminal case shall give equal attention to circumstance favorable or unfavorable to the accused.

Prosecutor Chang Ching-yun who is responsible for the case was reading a set of files concerning the case Tuesday. He said he still [words indistinct] holding the court hearings. Chang said he will probably ask the two suspects to appear in court hearings or go to the detention house in Taipei County himself to interrogate the two suspects.

Chen Chi-li and Wu Tun were arrested by the police in Taipei Nov. 12 and 26 respectively in an anti-crime raid launched by the government. The two gang leaders are suspected of the murder of Chinese-American writer Henry Liu in the latter's Daly City home near San Francisco. The two suspects were referred to the Taipei District Court Monday after an investigation by the nation's security agency.

SPOKESMAN ON HENRY LIU CASE AFFECTING U.S. TIES

OW080535 Taipei CNA in English 0302 GMT 8 Feb 85

[Text] Taipei, Feb. 7 (CNA) -- A government spokesman of the Republic of China said in an interview with an American reporter Wednesday that the Henry Liu murder case is purely an issue of law and the case should not damage the important and friendly relations between this nation and the United States.

Commenting on a U.S. congressional hearing on the Liu Case, Chang King-yueh, director-general of the Government Information Office [GIO], told Stanton Samuelson of SAN FRANCISCO EXAMINER: "If the purpose of U.S. congressional hearings in this case is to facilitate the just punishment under the law of those implicated in the killing of Henry Liu, this would be consistent with the policy of the government of the Republic of China." "But, if the criminal acts of certain individuals were to be arbitrarily related to the policy of the government, or the [words indistinct] of unfair," he added.

Chang further stated that "should the hearings result in the weakening of this country's defense capability and the consequent undermining of the security of all free nations in this area, it would be extremely unwise."

The GIO chief said that the relations between the ROC and the U.S. in economies, trade, and cultural exchanges and technological cooperation continued to advance in the past four years. The continuously growing relations are beneficial to both countries. He reiterated that he trusted the wisdom of the government and the people of the U.S., who will not fall into the trap of some schemers. After all, a pure case of law should not damage the important and friendly relations between the U.S. and this nation.

CIRCULATION OF VOLUME 5 OF MAO'S SELECTED WORKS ENDS

HK011148 Hong Kong TA KUNG PAO in Chinese 1 Feb 85 p 3

["Window on the Mainland" by Tiang Ming: "Circulation of Volume 5 of 'Mao's Selected Works' Ceases"]

[Text] A month has passed since the year 1985 began. The year 1985 is an important one in which work on the mainland will be carried out in an all-round way in accordance with the decision on reform of the urban economic structure. During the past month it can be seen that trends of reform have already emerged, and difficult problems which have been regarded for years as "forbidden areas," and which people would not dare touch, are beginning to be dealt with, such as developing the commodity economy, reforming the planned economy, and carrying out reforms in the price and wage systems.

While firmly grasping enlivening the economy at home and opening to the world, the party Central Committee has not relaxed the consolidation of work concerning theory and ideology; in particular, it continues to thoroughly negate the "Cultural Revolution," and does not show any relaxation in eliminating the pernicious influences of "leftism" in all fields. These two aspects supplement each other; eliminating the pernicious influence of "leftism," emancipating the minds, and attaching importance to practice are helpful in doing away with the rigid modes of the past as early as possible, and in creating a new situation in which the people and state will enjoy prosperity.

The top echelon of leadership of the central authorities has maintained sober heads, and has made a breakthrough in the development of theoretical and ideological work.

According to news from Beijing, circulation of Volume 5 of the "Selected Works of Mao Zedong" has ceased. This is also a measure of the nature of a breakthrough. The cessation of the circulation of Volume 5 of "Mao's Selected Works" does not mean negating all the articles in the volume, nor does it mean negating some of the good articles of historic significance in the previous four volumes. It seems that several articles contained in Volume 5 precisely gave expression to the grave mistakes Mao Zedong committed in his late years in theoretical questions. In particular he made some unscientific. Incorrect evaluations involving theoretical questions on class contradictions and class struggle during the period of socialist economic construction; just as is stressed in the "publication note" to Volume 5: "It was in these writings that Comrade Mao Zedong for the first time put forward the great theory of continuing the revolution under the dictatorship of the proletariat, and the ideas underlying the general line for building socialism."

Volume 5 of the "Selected Works of Mao Zedong" contains important writings, speeches, and documents drafted on behalf of the party from September 1949 through 1957, 70 in all. The views in some of the articles have long given rise to dispute, such as "Pay Serious Attention to the Discussion of the Film 'The Life of Wu Xun,'" "Criticism of Liang Shuming's Reactionary Ideas," "Preface and Editor's Notes to Material on the Counter-revolutionary Hu Feng Clique," "The Debate on the Cooperative Transformation of Agriculture and the Current Class Struggle," and "Mustering Our Forces To Repulse the Rightists' Wild Attacks." All of them contain trends of expanding class struggle, and this might be one of the root causes of the long existing "leftist" trends of the Central Committee prior to the "Cultural Revolution."

There was a long interval between the publication of Volume 5 and that of Volume 4. It is said that during that very long interval, Mao Zedong stated that Volume 5 should not be published and he himself held that the experience of building socialism would require more practice in undergoing tests, and that it would be better to have it published later.

However, he agreed to sort out some important manuscripts written after 1949. When it was suggested in 1975 that Volume 5 be published, Mao Zedong appointed Deng Xiaoping to take charge of the work. However, at the end of 1975 the "gang of four" launched the "campaign to repudiate Deng Xiaoping," and thus Deng Xiaoping was elbowed aside.

When Mao Zedong passed away in 1976, Volume 5 of "Mao's Selected Works" was published in a hurry. Those in charge of editing and publishing the volume were Hua Guofeng, Wang Dongxing and a number of others. It was obviously done by the "whatever school" to fulfill some purpose in strengthening the personality cult. For instance, the article "Liu Shaoqi and Yang Shangkin Criticized for Breach of Discipline in Issuing Documents in the Name of the Central Committee Without Authorization" was originally a remark in dealing with routine work; however, it was solemnly collected in the volume, obviously out of ulterior motives, and so on and so forth. It has long given rise to people's comments.

Volume 5 of "Mao's Selected Works" was published under the domination of the "leftist" erroneous ideas; now it is a matter of course that its circulation ends. Just as Hu Yaobang has pointed out in the report made at the 12th CPC National Congress: "In reference to our party's mistakes, including the mistakes committed by Comrade Mao Zedong, whether we have the Marxist courage to conduct self-criticism, whether we can historically and correctly conduct such self-criticism is a crucial question whether we can bring order out of chaos." The cessation of circulation of Volume 5 of the "Selected Works of Mao Zedong" can be said to be a demonstration of the courage of the CPC in such self-criticism and in adhering to the principle that practice is the sole criterion for testing truth. This is an action that will win people's hearts.

'GANG OF FOUR' LEADER ALLOWED LEAVE FROM PRISON

HK071038 Hong Kong HSIN WAN PAO in Chinese 7 Feb 85 p 4

["Special Dispatch": "Xu Jingxian, Crack General of the Gang of Four, Permitted To Visit His Parents Outside Prison"]

[Text] Xu Jingxian, crack general of the "gang of four" now serving his term in a certain prison in Shanghai, not long ago was permitted to visit his father, who has been ill, and to see his mother and wife.

Prior to the fall of the "gang of four," Xu Jingxian was deputy director of the Shanghai Municipal Revolutionary Committee and secretary of the Shanghai Municipal CPC Committee. He took part in creating the play "The Younger Generation," and became somewhat famous thereafter. Later, he became the agent of the "gang of four" in Shanghai and was in charge of the "writing group under the Shanghai Municipal CPC Committee." He seized all power in the field of education and cultural undertakings in Shanghai. On the eve of the fall of the "gang of four," he secretly plotted armed rebellion. He had caused disasters to Shanghai for as long as 10 years. On 21 August 1982, eight major criminals, including Xu Jingxian and Wang Xizhen, were sentenced in Shanghai. Xu Jingxian was given a term of 18 years in prison as one of the culprits, and was deprived of his political rights for 4 years.

Xu Jingxian has a cell all to himself in prison, and has relative freedom regarding his daily life. Not long ago Xu's father (a retired assistant professor at a university) was confined to bed due to illness. Xu Jingxian wanted to visit his father at home. The prison authorities granted his request. That was how Xu Jingxian was able to visit his father, who is in his 80's, escorted by a prison guard. Standing before his father's sick bed, Xu Jingxian had all sorts of feelings well up inside. His father held him by the hand, calling his name. Comforting the old man, he said: "The prison leadership has allowed me to visit you. Please recuperate with ease of mind, and do get well soon." He also met his mother and wife.

Returning to prison, he said: "I had thought that it would never again be possible for me to see my father." He has written a "letter pleading guilty," in which he thoroughly negated the "Great Cultural Revolution" and expressed his desire to become a new person.

PRC CRACKDOWN ON ECONOMIC CRIMES, CORRUPTION VIEWED

HK060400 Hong Kong SOUTH CHINA MORNING POST in English 6 Feb 85 p 8

[By Foreign Affairs Editor David Chen]

[Text] China has reimposed central controls over the import of foreign vehicles, including cars and lorries which are in great demand throughout the nation, it was reliably learnt yesterday.

This means that any order for the purchase of imported vehicles will have to be approved by the central government, instead of allowing provincial, municipal or even local commercial units to handle the deals. The same measures, it was learnt, will also apply to the import of television sets.

The latest developments result from the reported widespread corrupt practices of several units in coastal areas which enjoy special privileges in the importation of these articles. They are said to have shipped them to other areas for a profit. The practice was most prevalent on Hainan Island, which was made a special region even before the 14 coastal cities. Several military officials were dismissed a few months ago for corruption and a probe is continuing into the affair.

Just two years ago, Hainan was hailed as one of the star economic regions destined to contribute tremendously to the country's modernisation efforts. It was practically virgin land, with rich natural resources and was chosen as the base for offshore oil ventures in the South China Sea. In some ways, the economic autonomy accorded to the island was even more liberal than for Shenzhen, perhaps the most advanced of the four special economic zones. Among the concessions was the granting of the import of duty-free goods, including trucks and televisions. It was the vehicles which led to the downfall of those engaged in the deal. When the trucks arrived, they were transported to northern ports and inland cities, where they were resold at a huge profit.

Because of the island's liberal economic practices, imported goods are available but demand far outstrips supply and foreign currency is most in demand. At one time, it was said, there was parity between the Hong Kong dollar and the yuan, compared with the official rate of \$3.30 for one yuan.

Corrupt deals involving foreign products were also prevalent elsewhere along the coast. There were frequent reports of cadres and government officials being jailed or even executed for large-scale corruption. And military personnel were also tempted by the prospect of making extra money.

Late last month, for instance, two officers from the Canton naval base were jailed for selling plane fuel to a Shantou trafficker in exchange for gifts. Shantou, previously known as Swatow, is one of the four original special economic zones.

In the Fuzhou Military Region, covering the provinces of Fujian and Jiangxi, there have been 180 recent cases of corruption involving military men. These informed dealers in cars, televisions boosted profits by illegally cornering scarce items for later sale at inflated prices. They also defied state regulations by borrowing cash or dealing on credit, according to an article in the PEOPLE'S DAILY. "Since September, such enterprises have reaped profits of US\$1.3 million (about HK\$10.1 million)," the newspaper said.

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Hong Kong was not free from involvement. A report in the CHINA LEGAL NEWS gave details of a car smuggling ring in Guangdong Province involving hundreds of duty-free vehicles and huge bribes. The vehicles arrived in the province via Hong Kong. The paper cited one case in which an official of a wine company paid nearly HK\$100,000 in bribes to bring in duty-free vehicles through Hong Kong. Individual provincial authorities issued circulars warning against "this unhealthy tendency." In some cases, there was large-scale reorganisation of which units involved in the corrupt deals. And the situation became so serious that the party organ, the PEOPLE'S DAILY, took the special measure of issuing a plea to all party members to be on the lookout for "swindlers" cashing in on the country's new liberalized economic policies.

Admitting that some party members and local government officials were involved in corruption and other abuses of power, the newspaper said economic crimes were severely hampering the smooth progress of economic reform. It cited the case of an unemployed demobilized soldier who set up a bogus trading company and signed 19 contracts for the import of 200,000 non-existent colour television sets. He secured advance payment of more than 12.6 million yuan (about HK\$42 million) before investigators uncovered the fraud and arrested him last month. The paper said party and government officials had been blind to the fraud, which had involved more than 100 organizations in 10 provinces.

The case highlighted new unhealthy trends that were undermining the government's economic changes, designed to relax central controls and introduce more incentives for workers and peasants, the paper said.

Urging officials to watch carefully for corruption, the PEOPLE'S DAILY said the case showed that "there were serious incidents of blind bureaucracy, materialism and even cheating and dereliction of duty." Although the newspaper appeared to put much of the blame on the bogus dealer, analysts said it was only too clear that he would not have been able to perpetrate his crime without the knowledge and connivance of officials. The PEOPLE'S DAILY article followed a meeting of the party's Central Disciplinary Commission last month which decided on a new clampdown on economic crime by officials and bureaucrats. It accused some officials of running their own businesses, buying goods in short supply and then selling them at a profit.

While the PEOPLE'S DAILY and the Central Disciplinary Commission dealt largely with party and government officials, the military are also not excluded from the latest official scrutiny. The military involvement was something of a vicious circle. The military, which has received the least attention as far as budgetary considerations are concerned, has been encouraged to adapt their factories to produce consumer goods, in order to boost the country's economy.

When the modifications were completed and consumer goods were rolling off the production lines, officers had to find outlets for the goods. It followed that the majority believed they were the best suited to sell their own wares. Commercial companies were formed and deals were completed -- and corruption followed. Although these problems have not yet reached crisis proportions, there are moves to stop the situation deteriorating further. However, applying too much pressure and exercising too stringent controls over local deals could also strangle some of the legitimate practices, upon which progress and income from an open-door policy are derived.

The issue is expected to be one of the major topics that the party and the State Council, together with the military, will address themselves to in the current year.

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